IntelliCentrics

IntelliCentrics Global Holdings Ltd.
中智全球控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 6819

Interim Report 2023

Contents

Corporate Information

DIRECTORS

Executive Directors:

Mr. Lin Tzung-Liang *(Chairman)*
Mr. Michael James Sheehan *(Chief Executive Officer)*

Non-executive Directors:

Mr. Lin Kuo-Chang
Mr. Leo Hermacinski

Independent Non-executive Directors:

Mr. Hsieh Yu Tien
Mr. Wong Man Chung Francis
Mr. Liao Xiaoxin

AUDIT COMMITTEE

Mr. Wong Man Chung Francis *(Chairman)*
Mr. Leo Hermacinski
Mr. Liao Xiaoxin

REMUNERATION COMMITTEE

Mr. Hsieh Yu Tien *(Chairman)*
Mr. Lin Kuo-Chang
Mr. Wong Man Chung Francis

NOMINATION COMMITTEE

Mr. Lin Tzung-Liang *(Chairman)*
Mr. Hsieh Yu Tien
Mr. Liao Xiaoxin

ADMINISTRATION COMMITTEES

RSA Scheme for Non-Connected Persons

Mr. Michael James Sheehan
Mr. Wong Man Chung Francis

RSA Scheme for Core Connected Persons

Mr. Lin Tzung-Liang
Mr. Hsieh Yu Tien

JOINT COMPANY SECRETARIES

Mr. Hung Kuo Yuan
Ms. Leung Shui Bing

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GLOBAL HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE U.S.

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Cayman Islands

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

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P.O. Box 712
Grand Cayman KY1-9006
Cayman Islands

AUTHORISED REPRESENTATIVES

Mr. Michael James Sheehan
Mr. Hung Kuo Yuan

HONG KONG SHARE REGISTRAR

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Shanghai Commercial and Savings
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STOCK CODE

6819

COMPANY WEBSITE

www.intellicentrics-global.com

Management Discussion and Analysis

BUSINESS OVERVIEW

Despite the economic slowdown triggered in large by the rapid tightening of global monetary policy in response to inflation, the 6 months ended December 31, 2023 have continued to see positive developments across the globe. As the development of the healthcare systems center around digital transformation, we remain committed to delivering innovative and trusted technologies with a view to digitizing various aspects of healthcare, with a primary focus on vendor and medical credentialing.

Our business strategy continues to focus on connecting the supply side of healthcare with the demand side of healthcare on a technology platform that delivers trusted interactions. The Group's revenue decreased slightly by US$0.4 million for the 6 months ended December 31, 2023 from the comparable period ended December 31, 2022, and gross profit decreased slightly by US$0.5 million to US$19.3 million for the 6 months ended December 31, 2023. For the 6 months ended December 31, 2023, the net loss was US$5.6 million as compared to a net loss of US$4.2 million for the 6 months ended December 31, 2022. Net loss included other non-operating losses of US$2.7 million related to nonrecurring expenses incurred during the 6 months ended December 31, 2023, in preparation of the Proposed Disposal as disclosed in the Announcement (both terms as defined below). Adjusted EBITDA was US$1.8 million for the 6 months ended December 31, 2023 as compared to US$1.5 million for the 6 months ended December 31, 2022, resulting in a US$0.3 million increase as new initiatives were implemented. The adjusted EBITDA of US$1.8 million for the 6 months ended December 31, 2023 included other non-operating losses of US$2.7 million for nonrecurring expenses related to the Proposed Disposal (as defined below).

We had 125,581 paying subscribers as at December 31, 2023, representing a 0.8% decrease as compared to December 31, 2022. Our medical credentialing subscriber base decreased by 0.8% and our United Kingdom subscriber base increased by 5.0%. As of December 31, 2023, we had 9,731 Registered LoCs, which represents a 2.0% decrease as compared to December 31, 2022.

OUTLOOK

As disclosed in the Company's announcement dated February 9, 2024 (the "Announcement"), IntelliCentrics Holding Company, an indirectly wholly-owned subsidiary of the Company, entered into a share purchase agreement on February 9, 2024 in relation to a proposed very substantial disposal (the "Proposed Disposal") of the entire issued share capital of Inception Point Systems Ltd., which constitutes a very substantial disposal of the Company. Please refer to the Announcement for further details on the Proposed Disposal. Nonetheless, as future government actions, financial market and other macroeconomic conditions remain uncertain, Shareholders should note that the Board's assessment with respect to the future business operations and liquidity of the Group is based on information about the business, industries, technology, and regions of operations currently available to the Company and should not be taken as guarantees of future performance, actions, or events. Please refer to Note 2 (Basis of Preparation) to the condensed consolidated financial statements contained in this interim report for further details.

Assets

Total assets of the Group decreased from US$58.6 million as at June 30, 2023 to US$50.7 million as at December 31, 2023. The decrease is driven by repayments of borrowings of US$0.6 million and expenses associated with technology development for MSO, and increased operating costs in implementing the Group's initiatives.

Liquidity

During the reporting period, our current ratio weakened from 0.5 as of June 30, 2023 to 0.4 as of December 31, 2023. Our working capital declined from US$(29.0) million as of June 30, 2023 to US$(33.4) million as of December 31, 2023. The decreases are primarily a result of repayments of borrowings, marketing and other costs in commercializing our medical credentialing business and our eBadge technology.

As at December 31, 2023, we had total current liabilities of US$52.2 million, comprising mainly (i) contract liabilities totaling US$20.8 million and (ii) bank borrowings, lease liabilities and other payables of US$31.4 million which are repayable within the next 12 months. Furthermore, we have extended the repayment date of our outstanding bank borrowings of approximately US$23.4 million, which were originally due and payable in December 2023. On July 20, 2023, the Group entered into an agreement with the lending bank to extend the maturity of the bank loan to March 2024.

Our contract liabilities represent subscription fees prepaid by our customers for which the purchased services had not been rendered in full. Given our high gross profit margin of 88.7% for the 6 months ended December 31, 2023, the actual cost of revenue for such services is expected to be substantially lower than the stated amount of contract liability.

As the development of our MSO products is substantially complete, we expect our operating expenses associated with technology development will decrease substantially in the next 12 months. Our subscribers pay their fees at the beginning of their annual term, in which provides the Company with a cash inflow and therefore there is no credit risk for accounts receivable.

Given the above, the Directors believe the Group will have sufficient working capital to maintain its operations in the next 12 months from December 31, 2023. For further details of the measures that we have taken to improve our liquidity position, please refer to Note 2 (Basis of Preparation) to the condensed consolidated financial statements contained in this interim report. Nonetheless, as future government actions, financial market and other macroeconomic conditions remain uncertain, Shareholders should note that the Board's assessment with respect to the future business operations and liquidity of the Group is based on currently available information about the business, industries, technology, and regions of operations and should not be taken as guarantees of future performance, actions, or events.

FINANCIAL REVIEW

Results of Operations

This interim report is reporting results of operations for the 6-month period from July 1, 2023 to December 31, 2023 as compared to the 6-month period from July 1, 2022 to December 31, 2022.

The following table sets forth certain income and expense items from our unaudited interim condensed consolidated statements of profit or loss for the periods indicated:

US$ in thousands	**6 months ended December 31, 2023 (Unaudited)**	6 months ended December 31, 2022 (Unaudited)
Revenue	**21,804**	22,181
Cost of revenue	**(2,467)**	(2,392)
Gross profit	**19,337**	19,789
Selling and marketing expenses	**(2,669)**	(2,613)
General and administrative expenses	**(11,658)**	(12,501)
Research and development expenses	**(7,613)**	(8,043)
Other (loss)/income	**(64)**	86
Operating loss	**(2,667)**	(3,282)
Finance costs	**(1,322)**	(967)
Finance income	**363**	183
Other non-operating (loss)/income	**(2,700)**	19
Loss before income tax	**(6,326)**	(4,047)
Income tax benefit/(expense)	**743**	(167)
Loss for the period	**(5,583)**	(4,214)
Non-IFRS Measures		
Adjusted EBITDA	**1,800**	1,548

Non-IFRS Measures

The Company has presented certain non-IFRS measures in this interim report to provide additional information that the management believes is useful to the reader in gaining a more complete understanding of the operational performance and the trends. Non-IFRS measures may not be comparable to similarly named measures used by other companies. They do not replace and should not be considered comparable to IFRS measures. Non-IFRS measures are not a substitute for a user's calculation and analysis of the financial results as reported under IFRS in this interim report.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) is a non-IFRS measure. The Company believes that each of the non-operating expense items listed below was not an expense arising out of or ancillary to the core business of the Group, being (i) the offering of medical and vendor credentialing solutions for compliance and security purposes in the healthcare industry and (ii) the provision of add-on services, comprising of radiation exposure monitoring, immunizations and vaccinations, criminal background checks and general and professional liability insurance referrals. The Group adopts adjusted EBITDA in its financial and operating decision-making because it reflects the Group's ongoing operating performance in a manner that allows for more meaningful period-to-period comparisons. The Group believes the use of adjusted EBITDA provides investors with greater visibility in understanding and evaluating its operating performance and future prospects the way the management does by excluding the above-mentioned non-operating income and the income tax benefit, net interest expenses, depreciation of property and equipment, and amortisation and impairment of intangible assets during the reporting period, which are non-recurring in nature or may not reflect the Company's core operating results and business outlook.

Adjusted EBITDA

US$ in thousands	**6 months ended December 31, 2023 (Unaudited)**	6 months ended December 31, 2022 (Unaudited)	$ Change	% Change
Loss for the period (IFRS)	**(5,583)**	(4,214)	(1,369)	32.5
Income tax benefit/(expense)	**743**	(167)	910	(544.9)
Loss before income tax	**(6,326)**	(4,047)	(2,279)	56.3
Interest income, net	**959**	782	177	22.8
Loss before interest and taxes	**(5,367)**	(3,265)	(2,102)	64.4
Depreciation	**1,472**	1,711	(239)	(14.0)
Amortisation	**2,995**	3,121	(126)	(4.0)
Other non-operating loss/(income)	**2,700**	(19)	2,719	(14,310.5)
Adjusted EBITDA(Note)	**1,800**	1,548	252	16.3

Note: The Company incurred US$2.7 million nonrecurring expenses in relation to the Proposed Disposal as disclosed in the Announcement, which has been included in "other non-operating loss/(income)".

We use adjusted EBITDA, which represents net income before (i) income tax benefit/(expense), and net interest (income)/expense; (ii) certain non-cash expenses, consisting of depreciation of property and equipment, rent cost relating to certain right-of-use assets, amortisation, and other non-operating (income)/expense, including share of results of equity (joint venture) investees; and (iii) nonrecurring expenses in relation to the Proposed Disposal as disclosed in the Announcement, which we do not believe are reflective of our core operating performance during the periods presented.

FINANCIAL POSITION

Working Capital

Our working capital decreased to negative working capital of US$33.4 million as at December 31, 2023 from negative US$29.0 million as at June 30, 2023, primarily as a result of cash used in operations and repayments of borrowings of US$0.6 million during the same period.

Current Ratio

The current ratio weakened from 0.5 as at June 30, 2023 to 0.4 as at December 31, 2023. The decline in our current ratio is primarily a result of repayments of borrowings, and marketing and other costs in commercializing our medical credentialing business and our eBadge technology. Current ratio is calculated as current assets divided by current liabilities as at the date indicated. Our total current liabilities as at December 31, 2023 was US$52.2 million (as at June 30, 2023: US$54.4 million), of which US$20.8 million were contract liabilities (as at June 30, 2023: US$22.1 million). Our contract liabilities represent prepayments by subscribers for which services had not been rendered in full as at the relevant balance sheet date. Such prepaid fees are expected to be recognized as the Group's revenue over the course of the next 12 months upon our delivery of the relevant services.

Gearing Ratio

Our gearing ratio (calculated by dividing (i) total debts by (ii) total equity) improved from negative 249.7% as at December 31, 2023 from negative 588.1% as at June 30, 2023. The change is primarily a result of repayments of borrowings for the 6 months ended December 31, 2023.

LIQUIDITY AND FINANCIAL RESOURCES

Our Group's financing and treasury activities are centrally managed and controlled at the corporate level. The Group's overall treasury and funding policies focus on managing financial risks. This includes interest rate and foreign exchange risks; cost-efficient funding of the Group; and yield enhancement from time-to-time when the Group's cash position allows. The Group has always adhered to prudent financial management principles including the selection of investment securities according to the Group's treasury investment policy.

Our primary uses of capital are to satisfy our working capital needs and to fund our R&D and market acquisition initiatives. Our working capital is predominantly financed from cash generated from our operating activities, comprised of cash payments received from our annual subscription memberships and add-on services, and bank borrowings. In managing our liquidity, our management monitors and maintains a reasonable level of cash and cash equivalents deemed adequate by our management to finance our operations and to mitigate the impacts of fluctuations in cash flows. The main sources of liquidity are cash and cash equivalents on hand, and the cash generated from operating activities.

For the 6 months ended December 31, 2023, we have continued to maintain a restrictive policy on investments for further development of MSO and new potential business. A large majority of the Group's operating expenses are reflected in personnel expenses as our employees are the enablers for setting up infrastructure for growth. Our net loss of US$5.6 million for the 6 months ended December 31, 2023 is mainly attributable to general and administrative costs in commercializing our medical credentialing business.

As at December 31, 2023, we had bank borrowings, lease liabilities and other liabilities repayable within the next 12 months totaling US$31.4 million, whereas our cash and cash equivalents and restricted cash amounted to US$16.2 million. We have proactively taken various measures to improve our liquidity position, details of which are set out in Note 2 (Basis of Preparation) to the condensed consolidated financial statements contained in this interim report. Please see the section headed "Management Discussion and Analysis — Business Overview — Liquidity" in this interim report for a discussion on the sufficiency of our working capital for the next 12 months from December 31, 2023.

Our total borrowings as of December 31, 2023 amounted to US$23.4 million, representing a 2.5% decrease from the balance as of June 30, 2023 totaling US$24.0 million. We have obtained from the lender exemptions for certain missed covenants applicable to both the reporting periods ended June 30, 2023 and December 31, 2023.

We incurred net current liabilities of US$33.4 million as at December 31, 2023, representing an increase as compared to US$29.0 million as at June 30, 2023. Total current assets decreased by US$6.6 million, and total current liabilities decreased by US$2.2 million, primarily due to repayments of borrowings and cash used in operations for the 6 months ended December 31, 2023.

As at December 31, 2023, the cash and cash equivalents, and total assets less current liabilities were US$4.4 million, and negative US$1.5 million, respectively, as compared to US$12.8 million and US$4.1 million as at June 30, 2023, respectively.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

We operate mainly in the U.S. with most of the transactions settled in U.S. dollars. Our business is exposed to foreign exchange risk relating primarily to the U.K., where most of R&D activities are performed. During the 6 months ended December 31, 2023, the Company did not issue any financial instruments for hedging purposes. As we monitor the growth of the Company in association with the local revenue and expenses, the management will consider hedging significant foreign currency exposure should the need arise. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures.

Cash and cash equivalents, short-term bank deposits, restricted cash, and promissory notes are denominated in the following currencies:

US$ in thousands	**As at December 31, 2023 (Unaudited)**	As at June 30, 2023 (Audited)
USD	**3,197**	11,671
HKD	**145**	238
GBP	**612**	708
NTD	**400**	67
CAD	**41**	63
EUR	**1**	11
Total	**4,396**	12,758

INDEBTEDNESS

Borrowings

Our total borrowing balance as at December 31, 2023 was US$23.4 million with variable interest rates per annum ranging between 8.18%–8.24% as compared to US$24.0 million with variable interest rates per annum ranging between 3.60%–8.18% as at June 30, 2023. During the 6 months ended December 31, 2023, the Group made US$0.6 million repayment toward borrowings. The borrowings are secured by certain bank deposits and are denominated in US$.

US$ in thousands	**As at December 31, 2023 (Unaudited)**	As at June 30, 2023 (Audited)
Borrowings		
— Current	**23,418**	24,018
— Non-current	**—**	—
Total	**23,418**	24,018

CONTINGENT LIABILITIES

As at December 31, 2023, the Company did not have any contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As of December 31, 2023, the Group had 161 employees (June 30, 2023: 184 employees). Total staff remuneration expenses including Directors' remuneration for the 6 months ended December 31, 2023 equal US$12.2 million (December 31, 2022: US$13.7 million). Remuneration is determined, in accordance with the prevailing industry practice, with reference to performance, skills, qualifications, and experience of the staff members. In addition to salary payments made by the Group, other staff benefits include social insurance and housing provident contributions, performance-based compensation, and discretionary bonus. Employee remuneration is reviewed annually to local market trends. The Group has also adopted the RSA Schemes to attract, retain, and incentivise our key employees to accelerate the Company's growth. On December 1, 2021, the Board approved and adopted the Employee Retention and Recognition (the "ERR") Program, pursuant to which performance-based restricted Share Awards would be granted to all employees in accordance with the rules governing the RSA Schemes.

The remuneration of the Directors is reviewed by the Remuneration Committee and approved by the Board. When determining the emolument of a Director, the following considerations are given: experience, duties and responsibilities, time commitment, and the prevailing market conditions.

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the 6 months ended December 31, 2023.

CORPORATE GOVERNANCE PRACTICE

The Board is committed to maintaining high corporate governance standards. During the 6 months ended December 31, 2023, the Company has applied the principles and code provisions as set forth in part 2 of the CG Code which are applicable to the Company. In the opinion of the Directors, the Company has complied with all applicable code provisions as set out in part 2 of the CG Code during the 6 months ended December 31, 2023.

As of the date of this interim report, the Company has a single gender Board. Noting that a single gender board will not be considered as having achieved board diversity, the Company will take appropriate measures to review the structure and composition of the Board and appoint a Director of a different gender on or before December 31, 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors. The Company has set additional guidelines at least as strict as the Model Code for transactions of the Company's securities for the relevant employees (as defined in the Listing Rules).

The Company has made specific inquiries to all Directors about their compliance with the Model Code. All Directors confirmed that they complied with the standards specified in the Model Code during the 6 months ended December 31, 2023. The Company has made specific inquiries to relevant employees about their adherence to the guidelines on transactions of the Company's securities. The Company did not notice any violation of the guidelines.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save for the Shares as may be purchased by the trustee from time to time pursuant to the RSA Schemes, during the 6 months ended December 31, 2023, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the reporting period.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

On August 20, 2019, the Group purchased 118,000 shares of overseas listed equity securities of AerKomm Inc. at the cost of US$5.0 million. The purchase represented approximately 1.3% of the issued and outstanding shares of AerKomm Inc.. The fair value of the Company's investment in AerKomm Inc. amounted to US$0.3 million as at December 31, 2023 or approximately 0.5% of the Company's total assets. As at December 31, 2023, the Company had recorded an unrealised loss on this investment of US$4.7 million through other comprehensive income due to the reduction in the fair value of the AerKomm Inc.'s shares as indicated by the quoted market price on December 31, 2023. For the 6 months ended December 31, 2023, there were no dividends received from this investment.

Since December 2022, Sciencare, a non-consolidated joint venture of the Company which is owned as to 40.0% by IntelliCentrics Zengine (Hong Kong) Company Limited, has ceased all of its substantive business operations.

As disclosed in the Announcement, IntelliCentrics Holding Company, an indirectly wholly-owned subsidiary of the Company, entered into a share purchase agreement on February 9, 2024 in relation to the Proposed Disposal of the entire issued share capital of Inception Point Systems Ltd., which constitutes a very substantial disposal of the Company. Please refer to the Announcement for further details on the Proposed Disposal.

Saved as disclosed above, there were no other significant investments, nor material acquisitions, or disposals of subsidiaries, associate and joint ventures during the 6 months ended December 31, 2023.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

As of December 31, 2023, there were no plans for material investments or capital assets outside the normal course of operations.

EVENTS AFTER THE REPORTING PERIOD

As disclosed in the Announcement, IntelliCentrics Holding Company, an indirectly wholly-owned subsidiary of the Company, entered into a share purchase agreement on February 9, 2024 in relation to the Proposed Disposal of the entire issued share capital of Inception Point Systems Ltd., which constitutes a very substantial disposal of the Company. Please refer to the Announcement for further details on the Proposed Disposal.

There were otherwise no significant events affecting the Group subsequent to the end of the 6 months ended December 31, 2023.

REVIEW OF INTERIM RESULTS

The unaudited interim condensed consolidated financial statements and the interim results of the Group for the 6 months ended December 31, 2023 have not been reviewed by external auditors. The Audit Committee, with the assistance of the Group's internal audit department, has reviewed the unaudited interim condensed consolidated financial statements and the interim results of the Group for the 6 months ended December 31, 2023. It is the opinion of the Audit Committee that the preparation of such interim results had been prepared in accordance with the applicable accounting principles and standards, and adequate disclosures have been made.

The Directors submit this interim report together with the unaudited interim condensed consolidated financial statements of the Group for the 6 months ended December 31, 2023.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On June 10, 2022, the Board resolved to change the use of net proceeds raised from its IPO (the "Net Proceeds") with effect from that date. For further details, please refer to the announcement of the Company dated June 10, 2022 (the "June 2022 Announcement"). The schedule below sets out (i) the status on the allocation and the usage of the Net Proceeds between March 27, 2019 and April 30, 2022; (ii) the used amount of the Net Proceeds (the "Used Amount") as of April 30, 2022 and the unused amount of the Net Proceeds (the "Unused Amount") as of April 30, 2022 before and after the re-allocation among various proposed applications; (iii) the status on the allocation and usage of the Net Proceeds between April 30, 2022 and June 30, 2023; (iv) the status on the allocation and usage of the Net Proceeds between June 30, 2023 and December 31, 2023; (v) the Unused Amount as of December 31, 2023; and (vi) the expected timing for the full utilization of the Unused Amount. Since June 10, 2022, the Net Proceeds have been utilized in accordance with the proposed applications as set out in the June 2022 Announcement.

Purpose	Allocation of the Net Proceeds from the IPO based on the 2018 Annual Report and the 2021 Interim Report of the Company (HK$ million, approximately)	The Used Amount as of April 30, 2022 (HK$ million, approximately)	The Unused Amount before the re-allocation as of April 30, 2022 (HK$ million, approximately)	The Unused Amount after the re-allocation as of April 30, 2022 (HK$ million, approximately)	The Used Amount between April 30, 2022 and June 30, 2023 (HK$ million, approximately)	The Used Amount between June 30, 2023 and December 31, 2023 (HK$ million, approximately)	The Unused Amount as of December 31, 2023 (HK$ million, approximately)	Expected timeline of the intended use of the Unused Amount, subject to then management assessment, market conditions, and the business operations and financial needs of the Group
Commercial efforts supporting each of our geographies[1]	234.60	70.18	164.42	77.85	54.61	23.24	–	Proceeds were fully utilized by December 2023
Increasing technology investment[2]	–	–	–	67.07	58.21	8.86	–	Proceeds were fully utilized by August 2023
Repaying the principal amount of a bank facility in connection with the Reorganisation	117.70	117.70	–	–	–	–	–	N/A
Funding new and potential mergers, acquisitions and strategic alliances[3]	5.03	5.03	–	19.50	–	–	19.50	Expected to be fully utilised within 24 months of the date of the June 2022 Announcement
Working capital and other general corporate purposes	39.62	39.62	–	–	–	–	–	N/A
Total	**396.95**	**232.53**	**164.42**	**164.42**	**112.82**	**32.10**	**19.50**	

Loans and expenses are in US$. Conversion to HK$ used the exchange rate of 7.79713.

Notes:

(1) Previously referred to as "sales and marketing efforts, primarily for promoting our newly launched medical credentialing solution and pipeline solutions" before the re-allocation.

(2) It is a newly added application of the Net Proceeds pursuant to the re-allocation.

(3) Previously referred to as "funding potential acquisitions and developing strategic alliances" before the re-allocation.

USE OF PROCEEDS FROM THE GLOBAL OFFERING IN US$

Purpose	Allocation of the Net Proceeds from the IPO based on the 2018 Annual Report and the 2021 Interim Report of the Company (US$ million, approximately)	The Used Amount as of April 30, 2022 (US$ million, approximately)	The Unused Amount before the re-allocation as of April 30, 2022 (US$ million, approximately)	The Unused Amount after the re-allocation as of April 30, 2022 (US$ million, approximately)	The Used Amount between April 30, 2022 and June 30, 2023 (US$ million, approximately)	The Used Amount between June 30, 2023 and December 31, 2023 (US$ million, approximately)	The Unused Amount as of December 31, 2023 (US$ million, approximately)	Expected timeline of the intended use of the Unused Amount, subject to then management assessment, market conditions, and the business operations and financial needs of the Group
Commercial efforts supporting each of our geographies[1]	30.09	9.01	21.08	9.98	7.00	2.98	–	Proceeds were fully utilized by December 2023
Increasing technology investment[2]	–	–	–	8.60	7.46	1.14	–	Proceeds were fully utilized by August 2023
Repaying the principal amount of a bank facility in connection with the Reorganisation	15.10	15.10	–	–	–	–	–	N/A
Funding new and potential mergers, acquisitions and strategic alliances[3]	0.65	0.65	–	2.50	–	–	2.50	Expected to be fully utilised within 24 months of the date of the June 2022 Announcement
Working capital and other general corporate purposes	5.08	5.08	–	–	–	–	–	N/A
Total	**50.91**	**29.84**	**21.08**	**21.08**	**14.46**	**4.12**	**2.50**	

Conversion from HK$ used the exchange rate of 7.79713.

Notes:

(1) Previously referred to as "sales and marketing efforts, primarily for promoting our newly launched medical credentialing solution and pipeline solutions" before the re-allocation.

(2) It is a newly added application of the Net Proceeds pursuant to the re-allocation.

(3) Previously referred to as "funding potential acquisitions and developing strategic alliances" before the re-allocation.

RESULTS AND DIVIDEND

The interim results of the Group for the 6 months ended December 31, 2023 are set out in the section headed "Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income or Loss" in this interim report. The Board does not recommend the payment of an interim dividend for the 6 months ended December 31, 2023.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of December 31, 2023, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(a) Interests/short positions in the Shares

Name of Directors or chief executive of the Company	Capacity and nature of interest	Number of Shares held[1]	Approximate percentage of interest in the Company
Mr. Lin[2]	Interests in a controlled corporation	285,740,326	63.14%
Mr. Sheehan[3]	Beneficiary of a trust	40,000,000	8.84%
	Beneficial owner	5,366,869	1.19%
Mr. Lin Kuo-Chang	Beneficial owner	680,000	0.15%
Mr. Wong Man Chung Francis	Beneficial owner	270,000	0.06%
Mr. Leo Hermacinski	Beneficial owner	223,319	0.05%
Mr. Hsieh Yu Tien	Beneficial owner	50,000	0.01%

Notes:

(1) All interests stated are long positions.

(2) The entire issued share capital of Ocin Corp. is directly held by Mr. Lin. Accordingly, Mr. Lin is deemed to be interested in the 285,740,326 Shares held by Ocin Corp.

(3) Michael Sheehan Irrevocable Trust is a trust with Mr. Sheehan being a beneficiary and the trustee. Accordingly, Mr. Sheehan is deemed to be interested in the 40,000,000 Shares held by Michael Sheehan Irrevocable Trust. Mr. Sheehan is also interested in (i) 5,000,000 Share Options granted to him under the Pre-IPO Share Option Scheme (of which 4,000,000 Share Options were vested as of December 31, 2023) entitling him to receive 5,000,000 Shares upon full exercise of such Share Options; and (ii) 366,869 Share Awards granted to him under the RSA Scheme for Core Connected Persons entitling him to receive 366,869 Shares which are fully vested. As disclosed in the Announcement, the Company has cancelled, with consent from Mr. Sheehan, all of his 5,000,000 outstanding Share Options, and such cancellation became effective on February 8, 2024.

(b) Interests/short positions in the share or debentures of the associated corporations of the Company

Name of Director or chief executive of the Company	Name of associated corporation of the Company	Capacity and nature of interest	Number of Shares in the associated corporation[1]	Approximate percentage of interest in associated corporation
Mr. Lin	Ocin Corp.	Beneficial owner	435,800	100.0%

Note:

(1) All interests stated are long positions.

Save as disclosed above, as of December 31, 2023, so far as is known to the Directors or chief executive of the Company, none of the Directors or chief executive of the Company had interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) were required as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of December 31, 2023, so far as was known to any Director or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares which are required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholders	Capacity and nature of interest	Number of Shares held[(1)]	Approximate percentage of interest in the Company
Ocin Corp.[(2)]	Beneficial owner	285,740,326	63.14%
Michael Sheehan Irrevocable Trust[(3)]	Beneficial owner	40,000,000	8.84%
Computershare Hong Kong Trustees Limited[(4)]	Trustee	25,614,969	5.66%

Notes:

(1) All interests stated are long positions.

(2) The entire issued share capital of Ocin Corp. is directly held by Mr. Lin. Accordingly, Mr. Lin is deemed to be interested in the 285,740,326 Shares held by Ocin Corp.

(3) Michael Sheehan Irrevocable Trust is a trust with Mr. Sheehan being a beneficiary and the trustee. Accordingly, Mr. Sheehan is deemed to be interested in the 40,000,000 Shares held by Michael Sheehan Irrevocable Trust.

(4) Computershare Hong Kong Trustees Limited, in its capacity as trustee of the RSA Scheme, holds 25,614,969 Shares for the purpose of administration of the RSA Scheme.

Save as disclosed above, as of December 31, 2023, the Directors have not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which are required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

PRE-IPO SHARE OPTION SCHEME

The Company adopted the Pre-IPO Share Option Scheme by the Board's resolutions dated August 7, 2018. The purpose of the Pre-IPO Share Option Scheme is to incentivize and to reward qualified participants for their past contributions to the success of the Group and to maintain or attract business relationships with the grantees whose contributions are beneficial to the development and growth of the Company. The Board may, at its discretion, offer Share Option(s) to any director or employee of the Group, any consultant or advisor of the Company or its affiliates providing bona fide services that are not in connection with the Pre-IPO Share Option Scheme, and their respective family members. Subject to the Pre-IPO Share Option Scheme, the Share Options shall be vested in five even tranches at 20% on February 1, 2020, February 1, 2021, February 1, 2022, February 1, 2023, and February 1, 2024, respectively. A grantee under the Pre-IPO Share Option Scheme may exercise any vested Share Option(s) within a period as notified by the Board to such grantee, which period must expire not more than ten years from the date on which the relevant Share Option(s) were offered to such grantee. The exercise price of the Share Option(s) granted under the Pre-IPO Share Option Scheme shall be determined by the Board, at its sole discretion and taking into account factors including but not limited to the contemporaneous valuation of the Company, and shall not be less than the fair market value of such Share on the date of grant.

There is no specific limit on the maximum entitlement of each participant under the Pre-IPO Share Option Scheme. No further Share Options were or may be granted on or after the Listing Date. The Pre-IPO Share Option Scheme shall be valid and effective from the date of adoption until all Share Options granted expire or are exercised. For further details of the Pre-IPO Share Option Scheme, please refer to pages V-18 to V-29 of the Prospectus and Note 21 to the condensed consolidated financial statements in this interim report.

The number of Shares that may be issued in respect of Share Options granted under the Pre-IPO Share Option Scheme amounted to 5,000,000 Shares, which represents approximately 1.10% of the total number of Shares in issue as at the date of this interim report. As of December 31, 2023, the Company had granted Share Options to 1 grantee, being Mr. Sheehan, for 5,000,000 underlying Shares. Details of the interests of Mr. Sheehan under the Pre-IPO Share Option Scheme as of December 31, 2023 are set out below. As disclosed in the Announcement, the Company has cancelled, with consent from Mr. Sheehan, all of his 5,000,000 outstanding Share Options, and the Pre-IPO Share Option Scheme was terminated immediately following the cancellation of Mr. Sheehan's outstanding Share Options on February 8, 2024.

Name of Director	**Total number of Shares to be issued upon full exercise of the Share Options granted** (in thousands)	**Outstanding balance as of July 1, 2023** (in thousands)	**Number of Share Options granted, exercised, lapsed, or cancelled during the period**	**Outstanding balance as of December 31, 2023** (in thousands)	**Date of grant**	**Vesting period[1]**	**Exercise price** (US$ per Share)
Mr. Sheehan	5,000	5,000	–	5,000[2]	February 18, 2019	20% on or after 1 February 2020 20% on or after 1 February 2021 20% on or after 1 February 2022 20% on or after 1 February 2023 20% on or after 1 February 2024	0.875

Note:

(1) The exercise period of the Share Options is from the date of vesting until the sixth anniversary of the date of grant.

(2) The 5,000,000 Share Options were cancelled with consent from Mr. Sheehan on February 8, 2024.

THE RSA SCHEMES

The Company adopted the RSA Scheme by the Board's resolutions dated April 26, 2019 and the RSA Scheme for Core Connected Persons on October 20, 2020. The RSA Schemes are funded by the existing Shares. The purposes of the RSA Schemes are: (a) to provide selected participants with an opportunity to acquire a propriety interest in the Company; (b) to encourage and retain such individuals to work with the Group; (c) to provide additional incentive for them to achieve performance goals; (d) to attract suitable personnel for further development of the Group; and (e) to motivate the selected participants to maximise the value of the Company for the benefits of both the selected participants and the Company, with a view to achieving objectives of increasing the value of the Company and aligning the interests of the selected participants directly to the Shareholders through ownership of Shares. The duration of the RSA Schemes is 10 years from their respective dates of approval and can be terminated and extended by a resolution of the Board. The administration of the RSA Schemes is overseen by the corresponding administration committees established by the Board, which determine the exercise price payable by the selected participants in respect of the Shares granted under the RSA Schemes and the relevant vesting period, having regard to matters they consider relevant. The Board has resolved to amend the rules governing the RSA Schemes to re-allocate the maximum Share purchase limits of the RSA Schemes with effect from June 7, 2022.

The RSA Scheme

Eligible participants of the RSA Scheme include any employee, officer, agent or consultant of the Company or its subsidiaries or a family member of such individual, in each case who is not (i) a core connected person of the Company (as defined in the Listing Rules) or (ii) a person who is not recognized by the Stock Exchange as a member of "the public" under Rule 8.24 of the Listing Rules. The Board also grants performance-based restricted Share Awards in accordance with the rules of the RSA Scheme to all employees under its ERR Program. For further details of the ERR Program, please refer to Note 21(a) to the condensed consolidated financial statements contained in this interim report.

The maximum number of Shares that may be purchased under the RSA Scheme is 34,283,411 Shares, representing 7.5% of the entire issued share capital of the Company as at the date of adoption of the RSA Scheme and approximately 7.6% of the entire issued share capital of the Company as at the date of this interim report. The maximum number of Shares which may be granted to each participant under the RSA Scheme at any one time or in aggregate may not exceed 4,571,121 Shares, being 1.0% of the entire issued share capital of the Company as at the date of adoption of the RSA Scheme.

As of the date of this interim report, the remaining life of the RSA Scheme is approximately 5 years and 2 months. Please refer to the Company's announcement dated May 17, 2019 and June 8, 2022 for further details of the RSA Scheme.

As of December 31, 2023, the RSA Scheme had 201 grantees in total. Details of the interests of (i) the five highest paid individuals; and (ii) other grantees under the RSA Scheme as of December 31, 2023 are set out below:

			Number of Share Awards			Number of Share Awards				
Details of grantees	**Number of Shares Awards outstanding as of July 1, 2023[1][7]**	**Date of grant**	**Granted during the period[6]**	**Vested during the period**	**Exercise price or weighted average closing price of Shares immediately before the date of exercise**	**Exercised during the period**	**Cancelled during the period**	**Lapsed during the period**	**Vesting period**	**Number of Shares Awards outstanding as of December 31, 2023[1][7]**
Five Highest Paid Individuals in Aggregate[2]	500,000	February 18, 2019	–	–	USD0.875	–	–	–	5 years	500,000
	75,000	February 18, 2019	–	–	HKD6.850	–	–	–	5 years	75,000
	350,000	March 3, 2021	–	–	HKD6.850	–	–	–	3 years	350,000
	40,136	December 1, 2021	–	40,136[4]	–	40,136[4]	–	–	2 years	–
	1,000,000	August 11, 2022	–	–	HKD6.850	–	–	–	4 years	1,000,000
	34,286	September 1, 2022	–	34,286[4]	–	34,286[4]	–	–	1.3 years	–
Subtotal	1,999,422		–	74,422		74,422	–	–		1,925,000
Other Grantees in Aggregate (Including Employees and Consultants of the Company)	1,091,000	February 18, 2019	–	–	USD0.875	–	–	–	5 years	1,091,000
	50,000	April 1, 2021	–	–	HKD6.850	–	–	–	4 years	50,000
	75,000	October 1, 2021	–	–	HKD6.850	–	–	–	4 years	75,000
	258,281	December 1, 2021	–	228,471[4]	–	228,471[4]	29,810	–	1.3 years	–
	150,000	January 1, 2022	–	–	HKD6.850	–	–	–	4 years	150,000
	62,874	March 1, 2022	–	48,139[4]	–	46,290[4]	16,584	–	1.8 years	–
	75,000	March 21, 2022	–	–	HKD6.850	–	–	–	5 years	75,000
	25,000	May 1, 2022	–	–	HKD6.850	–	–	–	4 years	25,000
	1,000,000	April 24, 2022	–	–	HKD6.850	–	750,000	250,000	4 years	–
	110,087	June 1, 2022	–	83,877[4]	–	83,877[4]	26,210	–	1.5 years	–
	150,000	August 11, 2022	–	–	HKD6.850	–	–	–	5 years	150,000
	128,283	September 1, 2022	–	128,283[4]	–	128,283[4]	–	–	1.3 years	–
	75,000	November 23, 2022	–	–	HKD6.850	–	–	–	5 years	75,000
	68,284	December 1, 2022	–	59,614[4]	–	59,614[4]	8,670	–	1 year	–
	75,000	May 1, 2023	–	–	HKD6.850	–	–	–	5 years	75,000
	–	September 7, 2023	5,169[3]	5,169[4]	–	5,169[5]	–	–	0.3 year	–
Total	**5,393,231**		**5,169**	**553,553**		**626,126**	**831,274**	**250,000**		**3,691,000**

Notes:

1. The total number of Share Awards available for grant under the RSA Scheme as of July 1, 2023 and December 31, 2023 were 5,393,231 and 3,691,000, respectively.

2. Two out of the five highest paid individuals of the Company during the 6 months ended December 31, 2023, being Directors, have not been granted Share Awards under the RSA Scheme.

3. The closing price of Shares immediately before the date on which such Share Awards were granted was HK$4.80. The fair value of the Share Awards granted was HK$5.03 per Share at the date of grant.

4. The weighted average closing price of Shares immediately before the date on which such Share Awards were vested was HK$4.29.

5. The weighted average closing price of Shares immediately before the date on which such Share Awards were exercised was HK$3.75.

6. None of the Share Awards granted during the 6 months ended December 31, 2023 were subject to any performance targets.

7. Details of the accounting standards and policy adopted with respect to the valuation of the Share Awards under the RSA Scheme are set out in Note 21 to the condensed consolidated financial statements of this interim report.

As disclosed in the Announcement, the Board's administrative committee for the RSA Scheme has resolved that the vesting period of all Share Awards outstanding under the RSA Scheme will be automatically accelerated. As a result, as of the date of this interim report, all of the outstanding Share Awards under the RSA Scheme are immediately exercisable by the Grantees by way payment of the exercise price. Pursuant to the rules of the RSA Scheme, upon the passing of a resolution for the commencement of the winding up of the Company, any outstanding Share Awards that have not been exercised shall automatically lapse, and the holders thereof shall have no claims against the Company or the trustee of the RSA Scheme. Accordingly, subject to closing of the Proposed Disposal having taken place, holders of any outstanding Share Awards which remained unexercised at the time a Shareholder's resolution approving the Winding Up Proposal (as defined in the Announcement) is passed will automatically lapse in accordance with the rules of the RSA Scheme.

The RSA Scheme for Core Connected Persons

Eligible participants of the RSA Scheme for Core Connected Persons include any core connected person of the Company (as defined in the Listing Rules).

The maximum number of Shares that may be purchased under the RSA Scheme for Core Connected Persons is 11,427,803 Shares, representing 2.5% entire of the issued share capital of the Company as at the date of adoption of the RSA Scheme for Core Connected Persons and approximately 2.5% of the entire issued share capital of the Company as at the date of this interim report. The maximum number of Shares which may be granted to each participant under the RSA Scheme for Core Connected Persons at any one time or in aggregate may not exceed 4,571,121 Shares, being 1.0% of the entire issued share capital of the Company as at the date of adoption of the RSA Scheme for Core Connected Persons.

As of the date of this interim report, the remaining life of the RSA Scheme for Core Connected Persons is approximately 6 years and 8 months. Please refer to the Company's announcement dated May 28, 2021 and June 8, 2022 for further details of the RSA Scheme for Core Connected Persons.

Name of grantees	Number of Share Awards outstanding as of July 1, 2023[1]	Date of grant	Number of Share Awards granted during the period	Number of Share Awards vested during the period	Exercise price	Number of Share Awards exercised during the period	Number of Share Awards cancelled during the period	Number of Share Awards lapsed during the period	Vesting period	Number of Share Awards outstanding as of December 31, 2023[1]
Directors										
Mr. Sheehan[2]	366,869	January 18, 2021	–	–	–	–	–	–	65% on June 30, 2021 and 35% on October 1, 2021	366,869
Leo Hermacinski	95,573	November 5, 2021	–	–	–	–	–	–	100% on November 16, 2021	95,573
	55,342	November 6, 2022	–	–	–	–	–	–	100% on November 17, 2022	55,342
	72,404	October 27, 2023	72,404[3]	72,404[4]	–	–	–	–	100% on November 7, 2023	72,404
Total	**590,188**		**–**	**–**		**–**	**–**	**–**		**590,188**

Notes:

1. The total number of Share Awards available for grant under the RSA Scheme for Core Connected Persons as of July 1, 2023 and December 31, 2023 were 590,188.

2. Other than Mr. Sheehan, none of the five highest paid individuals of the Company during the 6 months ended December 31, 2023 have been granted Share Awards under the RSA Scheme for Core Connected Persons. Accordingly, the grant details of the five highest paid individuals in aggregate were not separately disclosed in the table above.

3. The closing price of Shares immediately before the date on which such Share Awards were granted was HK$3.66. The fair value of the Share Awards granted was HK$3.00 per Share at the date of grant.

4. The weighted average closing price of Shares immediately before the date on which such Share Awards were vested was HK3.27.

The total number of Shares that may be issued in respect of Share Options and Share Awards granted under all share schemes of the Company during the 6 months ended December 31, 2023 divided by the weighted average number of Shares in issue for the 6 months ended December 31, 2023 was 0.

As disclosed in the Announcement, it is expected that all of the 590,188 Share Awards outstanding under the RSA Scheme for Core Connected Persons will be transferred to Mr. Sheehan and Mr. Leo Hermacinski based on their respective entitlements on or prior to the date on which the entitlement of the Shareholders to the special interim dividend of the Proposed Disposal (subject always to closing of the Proposed Disposal having taken place) is determined.

APPENDIX D2 TO THE LISTING RULES

According to paragraph 40 of Appendix D2 to the Listing Rules headed "Disclosure of Financial Information", save as disclosed herein, the Company confirms that the Company's current information in relation to those matters set out in paragraph 32 of Appendix D2 to the Listing Rules has not been changed significantly from the information disclosed in the Company's Annual Report 2022/23.

By order of the Board
IntelliCentrics Global Holdings Ltd.
LIN Tzung-Liang
Chairman of the Board

Hong Kong, February 29, 2024

CORPORATE GOVERNANCE PRACTICE

The Board is committed to maintaining high corporate governance standards. During the 6 months ended December 31, 2023, the Company has applied the principles and code provisions as set forth in part 2 of the CG Code which are applicable to the Company. In the opinion of the Directors, the Company has complied with all applicable code provisions as set out in part 2 of the CG Code during the 6 months ended December 31, 2023.

As of the date of this interim report, the Company has a single gender Board. Noting that a single gender board will not be considered as having achieved board diversity, the Company will take appropriate measures to review the structure and composition of the Board and appoint a Director of a different gender on or before December 31, 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. The Company has also set guidelines at least as strict as the Model Code on transactions of the Company's securities for relevant employees (as defined in the Listing Rules).

The Company has made specific inquiries to all Directors about their compliance with the Model Code. All Directors confirmed that they complied with the standards specified in the Model Code during the 6 months ended December 31, 2023. The Company has made specific inquiries to relevant employees about their adherence to the guidelines on transactions of the Company's securities. The Company did not notice any violation of the guidelines.

BOARD OF DIRECTORS

As of the date of this interim report, the Board currently comprises seven members as follows:

Executive Directors

Mr. Lin Tzung-Liang *(Chairman)*
Mr. Michael James Sheehan *(Chief Executive Officer)*

Non-executive Directors

Mr. Lin Kuo-Chang
Mr. Leo Hermacinski

Independent Non-executive Directors

Mr. Hsieh Yu Tien
Mr. Wong Man Chung Francis
Mr. Liao Xiaoxin

Chairman and CEO

The role of the chairman of the Board (the "Chairman") is separate from that of the CEO to ensure a balance of power and authority. The Chairman is responsible for overseeing the functioning of the Board while the CEO is responsible for managing the Group's business. As of December 31, 2023, the Chairman is Mr. Lin, an executive Director, and the CEO is Mr. Sheehan, an executive Director.

The Chairman shall ensure that Board meetings are planned and conducted effectively, and all Directors are properly briefed on issues arising at Board meetings. He is also responsible for ensuring that the Directors receive adequate information in a timely manner, which must be accurate, clear, complete, and reliable. The Chairman shall also ensure the Board works effectively and discharges its responsibilities; all key and appropriate issues are discussed by the Board in a timely manner; good corporate governance practices and procedures are established; and appropriate steps are taken to provide effective communication with the Shareholders and that views of the Shareholders are communicated to the Board as a whole.

Independent Non-executive Directors

In compliance with Rules 3.10(1) and 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors. The Board considers that all independent non-executive Directors have appropriate and sufficient industry or finance experiences and qualifications to carry out their duties so as to protect the interests of the Shareholders. Among the three independent non-executive Directors, at least one of them has appropriate professional qualifications in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

Appointment and Re-election of Directors

Code provision B.2.2 of the CG Code states that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Each of the Directors is appointed under a service contract for a term of three years which is terminable by either party by giving three months' written notice to the other party.

In accordance with the Articles of Association, all Directors are subject to retirement by rotation and re-election at the AGM at least once every three years. Any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the first AGM after his/her appointment and shall then be eligible for re-election.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment, re-election, and succession planning of Directors.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors make decisions objectively in the interests of the Company.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge, and professionalism to the Board for its efficient and effective functioning.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expense for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them, and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing, and coordinating the daily operations and management of the Company are delegated to the management.

Continuous Professional Development of Directors

The Directors keep abreast of responsibilities as a Director and of the conduct, business activities and development of the Company. On the first occasion, every newly appointed Director receives a formal and comprehensive induction to ensure his/her appropriate understanding of the business and operations of the Company and full awareness of a director's responsibilities and obligations under the Listing Rules and other relevant statutory requirements.

Each of the Directors participates in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All Directors are encouraged by the Company to attend relevant training courses at the Company's expense.

During the 6 months ended December 31, 2023, the Directors kept abreast of matters relevant to their role as Directors by reading and viewing materials, among others, about corporate governance, the roles, functions and duties of a director and Listing Rules from time to time.

BOARD COMMITTEES

The Board has established five Board committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee, and two RSA Scheme Administration Committees for overseeing the particular aspects of the Company's affairs. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are posted on the Company's website (www.intellicentrics-global.com) and the Stock Exchange's website (www.hkexnews.hk) and are available to the Shareholders upon request.

The majority of the members of each Board committee are independent non-executive Directors. The list of the chairman and members of each Board committee is set out in the section headed "Board of Directors" in this Corporate Governance Report.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance code provision D.3 of the CG Code. The Audit Committee, in compliance with Rule 3.21 of the Listing Rules, consists of three members, namely, Mr. Wong Man Chung Francis (independent non-executive Director), Mr. Leo Hermacinski (non-executive Director) and Mr. Liao Xiaoxin (independent non-executive Director). Mr. Wong Man Chung Francis is a Certified Public Accountant who possesses the appropriate accounting or related financial management expertise, and is the chairman of the Audit Committee.

The primary duties of the Audit Committee include: (i) to review, supervise, and assist our Board in providing an independent view of our financial reporting processes and the internal control and risk management systems; (ii) to oversee the audit process, review our annual and interim financial statements, provide advice and comments to the Board on matters related to corporate governance; and (iii) to perform other duties and responsibilities as assigned by the Board from time to time.

During the 6 months ended December 31, 2023, the Audit Committee held one meeting. The members of the Audit Committee reviewed and discussed with the internal audit department of the Company the unaudited interim results of the Group for the 6 months ended December 31, 2023. They were of the opinion that the preparation of such interim results had been prepared in accordance with the applicable accounting principles and standards, and adequate disclosures have been made.

Additional meetings may also be held by the Audit Committee from time to time to discuss special projects or other issues which it considers necessary. The external auditors of the Group may request a meeting of the Audit Committee or with the chairman of the Audit Committee for informational or other purposes.

Remuneration Committee

We have established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The Remuneration Committee consists of three members, namely, Mr. Hsieh Yu Tien (independent non-executive Director), Mr. Lin Kuo-Chang (non-executive Director) and Mr. Wong Man Chung Francis (independent non-executive Director). Mr. Hsieh Yu Tien is the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are to (i) develop and review the policies and the structure of the remuneration for the Directors and senior management; (ii) evaluate the performance of and make recommendations on the remuneration packages and long-term incentive compensation or equity plans for the Directors; and (iii) evaluate and make recommendations on employee benefit arrangements.

During the 6 months ended December 31, 2023, the Remuneration Committee held one meeting to review and make recommendation to the Board on the remuneration policy and structure of the Company, and the remuneration packages of the Directors and other related matters.

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with code provision B.3 of the CG Code. The Nomination Committee, in compliance with Rule 3.27A of the Listing Rules, consists of three members, namely Mr. Lin (Chairman and executive Director), Mr. Hsieh Yu Tien (independent non-executive Director) and Mr. Liao Xiaoxin (independent non-executive Director), with Mr. Lin being the chairman of the Nomination Committee.

The primary functions of the Nomination Committee are to make recommendations to the Board in relation to the appointment and removal of Directors, and on matters of succession planning. In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the board diversity policy, including but not limited to professional qualifications, regional and industry experience, educational and cultural background, technical and professional skills, industry knowledge and reputation, gender, age, ethnicity, nationality, language skills, length of service and time to be devoted as a Director, and where possible, maintain balance from such perspectives.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the 6 months ended December 31, 2023, no meeting was held by the Nomination Committee.

Core Connected Persons RSA Administration Committee

The Core Connected Persons RSA Administration Committee is a sub-committee of the Board delegated with the power and authority to administer the RSA Scheme for Core Connected Persons. This Administration Committee consists of two members, namely, Mr. Lin (Chairman and executive Director) and Mr. Hsieh Yu Tien (independent non-executive Director). No meeting was held by this Administration Committee during the 6 months ended December 31, 2023 and up to the date of this interim report.

Non-Connected Persons RSA Administration Committee

The Non-Connected Persons RSA Administration Committee is a sub-committee of the Board delegated with the power and authority to administer the RSA Scheme. This Administration Committee consists of two members, namely, Mr. Sheehan (CEO and executive Director) and Mr. Wong Man Chung Francis (independent non-executive Director). No meeting was held by this Administration Committee during the 6 months ended December 31, 2023 and up to the date of this interim report.

Director Nomination Policy

The Company has adopted a director nomination policy, pursuant to which the following criteria should be considered when evaluating and selecting any candidate for directorship:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the board diversity policy of the Company that are relevant to the Company's business and corporate strategy.
- Any measurable objectives adopted for achieving diversity on the Board.
- Requirement for the Board to have independent Directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules.
- Any potential contributions the candidate can bring to the Board and/or the Company, as well as the Company's development strategies, future goals, and growth, taking into account the candidate's qualifications, skills, experience, independence, and gender and race diversity of the Board.
- The candidate's role and position as a member of a diverse Board.
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.
- Such other perspectives that are appropriate to the Company's business and succession planning and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for the nomination of the Directors and succession planning.

As regards selection and appointment of a new Director:

- The Nomination Committee and/or the Board should, upon receipt of a proposal on the appointment of a new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

- If the process yields more than one desirable candidate, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and the reference check of each candidate (where applicable).

- The Nomination Committee should then recommend to the Board for the appointment of the most appropriate candidate for directorship.

- For any person that is nominated by a Shareholder for election as a Director at a general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendations to the Shareholders with respect to the proposed election of Directors at a general meeting.

As regards the re-election of a Director at a general meeting:

- The Nomination Committee and/or the Board should review the overall contribution and service to the Company of each Director and his/her level of participation and performance on the Board.

- The Nomination Committee and/or the Board should also review and determine whether the Director continues to meet the criteria as set out above.

- The Nomination Committee and/or the Board should then make recommendations to the Shareholders in respect of the proposed re-election or replacement of the Directors at a general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as a Director at a general meeting, the relevant information of the candidate will be disclosed in the circular to the Shareholders and/or the explanatory statement that accompanies the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

Board Diversity Policy

The Company believes that board diversity will have a substantial benefit in improving its performance. Therefore, the Company has adopted a board diversity policy to ensure that the diversity of Board members be considered from a number of perspectives. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board. A summary of the board diversity policy is set out below:

The Board is of the view that having diversity in the Board will help the Company better understand and meet customer needs and maintain the Company's competitive advantages in the industry.

The Company is committing to achieving diversity and recognises and embraces the benefits of having a diverse Board to bring in innovation, fresh and broad business perspectives and enhance the decision-making process of the Board.

In considering the optimal composition of the Board, the Board shall exercise its discretion to review diversity from a wide array of perspectives, including but not limited to professional qualifications, regional and industry experience, educational and cultural background, technical and professional skills, industry knowledge and reputation, gender, age, ethnicity, nationality, language skills, length of service and time to be devoted as a Director, and where possible, maintain balance from such perspectives. Appointments to the Board should be made based on merits and contributions that the individual is expected to bring to the Board, with due regard to the benefits of diversity on the Board. As disclosed above in this interim report, noting that a single gender Board will not be considered as having achieved board diversity, the Company will take appropriate measures to review the structure and composition of the Board and appoint a Director of a different gender on or before December 31, 2024.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

ANNUAL GENERAL MEETING

The Company encourages its Shareholders to attend the AGM to communicate their views and concerns to the Board directly so as to ensure a high level of accountability and also to stay informed of the Company's strategies, developments and goals.

The 2023 AGM was held on December 15, 2023. Information and approved resolutions can be found on the Company's website (www.intellicentrics-global.com) and the Stock Exchange's website (www.hkexnews.hk).

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income or Loss

US$ in thousands	Notes	**6 months ended December 31, 2023 (Unaudited)**	6 months ended December 31, 2022 (Unaudited)
Revenue	7	**21,804**	22,181
Cost of revenue		**(2,467)**	(2,392)
Gross profit		**19,337**	19,789
Selling and marketing expenses		**(2,669)**	(2,613)
General and administrative expenses		**(11,658)**	(12,501)
Research and development expenses		**(7,613)**	(8,043)
Other (loss)/income		**(64)**	86
Operating loss		**(2,667)**	(3,282)
Finance costs	8	**(1,322)**	(967)
Finance income	9	**363**	183
Other non-operating (loss)/income	10	**(2,700)**	19
Loss before income tax		**(6,326)**	(4,047)
Income tax benefit/(expense)	11	**743**	(167)
Loss for the period		**(5,583)**	(4,214)
Other comprehensive income/(loss):			
Item that will not be subsequently reclassified to profit or loss:			
— Equity instruments at FVOCI — net change in fair value		**13**	(303)
Item that may be subsequently reclassified to profit or loss:			
— Currency translation differences		**128**	(1,088)
Other comprehensive income/(loss) for the period, net of tax		**141**	(1,391)
Total comprehensive loss for the period		**(5,442)**	(5,605)

US$ in thousands	Note	**6 months ended December 31, 2023 (Unaudited)**	6 months ended December 31, 2022 (Unaudited)
Loss for the period			
Attributable to owners of the Company		**(5,586)**	(4,212)
Attributable to non-controlling interests		**3**	(2)
		(5,583)	(4,214)
Total comprehensive loss for the period			
Attributable to owners of the Company		**(5,445)**	(5,603)
Attributable to non-controlling interests		**3**	(2)
		(5,442)	(5,605)
Loss per Share attributable to owners of the Company for the period (expressed in US$ per Share)			
— Basic and diluted	12	**(0.012)**	(0.009)

The accompanying notes are an integral part of these interim financial statements.

Interim Condensed Consolidated Statement of Financial Position

US$ in thousands	Notes	**As at December 31, 2023 (Unaudited)**	As at June 30, 2023 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment, net	14	**4,895**	5,448
Goodwill and other intangible assets, net	15	**22,407**	22,897
Right-of-use assets, net	16	**4,374**	4,512
Deposits and prepayments		**145**	143
Restricted cash	18	**143**	143
		31,964	33,143
Current assets			
Financial assets at fair value through other comprehensive income	19	**289**	276
Deposits, prepayments and other receivables		**2,400**	1,586
Restricted cash	18	**11,700**	10,800
Cash and cash equivalents		**4,395**	12,758
		18,784	25,420
Total assets		**50,748**	58,563
EQUITY			
Equity attributable to owners of the Company			
Share capital		**46**	46
Share premium		**72,776**	72,776
Other reserves		**(97,875)**	(98,160)
Retained earnings		**15,783**	21,366
		(9,270)	(3,972)
Non-controlling interests		**(109)**	(112)
Total equity		**(9,379)**	(4,084)

US$ in thousands	Notes	**As at December 31, 2023 (Unaudited)**	As at June 30, 2023 (Audited)
LIABILITIES			
Non-current liabilities			
Other liabilities		**16**	7
Deferred income tax liabilities		**1,887**	1,968
Lease liabilities	16	**6,005**	6,237
		7,908	8,212
Current liabilities			
Borrowings	22	**23,418**	24,018
Lease liabilities	16	**1,071**	913
Trade payables	23	**1,593**	635
Other payables and provisions	24	**4,140**	5,262
Amounts due to related parties	26	**685**	562
Contract liabilities	7	**20,815**	22,102
Current income tax liabilities		**496**	943
		52,218	54,435
Total liabilities		**60,126**	62,647
Total equity and liabilities		**50,747**	58,563

The accompanying notes are an integral part of these interim financial statements.

Interim Condensed Consolidated Statement of Changes in Equity

					Other reserves							
US$ in thousands	Notes	Share capital	Share premium	RSA scheme reserve	Capital reserve	Share awards reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
As at July 1, 2022		46	72,776	(30,380)	(61,630)	1,578	(4,228)	(1,834)	30,209	6,537	(116)	6,421
Loss for the period		–	–	–	–	–	–	–	(4,214)	(4,214)	(2)	(4,216)
Other comprehensive income/ (loss)												
– Equity instruments at FVOCI – net change in fair value		–	–	–	–	–	(307)	–	–	(307)	–	(307)
– Currency translation differences		–	–	–	–	–	–	(1,088)	–	(1,088)	–	(1,088)
Total comprehensive income/(loss) for the period		46	72,776	(30,380)	(61,630)	1,578	(4,535)	(2,922)	25,995	928	(118)	810
Transactions with owners:												
Acquisition of RSA shares		–	–	(779)	–	–	–	–	–	(779)	–	(779)
Share-based payment	21	–	–	–	–	613	–	–	–	613	–	613
Share options exercised	21	–	–	570	–	(503)	–	–	–	67	–	67
Total transactions with owners		–	–	(209)	–	110	–	–	–	(99)	–	(99)
As at December 31, 2022 (Unaudited)		46	72,776	(30,590)	(61,630)	1,688	(4,535)	(2,922)	25,995	829	(118)	711
As at July 1, 2023		46	72,776	(32,166)	(61,630)	1,400	(4,764)	(1,000)	21,366	(3,972)	(112)	(4,084)
Loss for the period		–	–	–	–	–	–	–	(5,583)	(5,583)	3	(5,580)
Other comprehensive income/ (loss)												
– Equity instruments at FVOCI – net change in fair value		–	–	–	–	–	13	–	–	13	–	13
– Currency translation differences		–	–	–	–	–	–	128	–	128	–	128
Total comprehensive income/(loss) for the period		46	72,776	(32,166)	(61,630)	1,400	(4,751)	(872)	15,783	(9,414)	(109)	(9,523)
Transactions with owners:												
Share-based payment	21	–	–	–	–	507	–	–	–	507	–	507
Share options exercised	21	–	–	500	–	(863)	–	–	–	(363)	–	(363)
Total transactions with owners		–	–	500	–	(356)	–	–	–	144	–	144
As at December 31, 2023 (Unaudited)		46	72,776	(31,666)	(61,630)	1,044	(4,751)	(872)	15,783	(9,270)	(109)	(9,379)

The accompanying notes are an integral part of these interim financial statements.

Interim Condensed Consolidated Statement of Cash Flows

US$ in thousands	Notes	**6 months ended December 31, 2023 (Unaudited)**	6 months ended December 31, 2022 (Unaudited)
Cash flows from operating activities			
Cash generated from operations	29	**(1,659)**	620
Interest received	9	**363**	183
Interest paid	8	**(1,322)**	(961)
Income tax received	11	**—**	464
Income tax paid	11	**(446)**	—
Net cash flows generated/(used in) from operating activities		**(3,064)**	306
Cash flows from investing activities			
Proceeds from release of restricted cash	18	**(900)**	3,150
Payment for restricted cash	18	**—**	(195)
Purchase of property, plant and equipment	14	**(449)**	(970)
Payments related to technology platform and trademark	15	**(2,427)**	(2,452)
Net cash flows used in investing activities		**(3,776)**	(467)
Cash flows from financing activities			
Repayments of borrowings	22	**(600)**	(3,750)
Acquisition of RSA shares	20	**—**	(779)
(Payment for)/proceeds from share option exercises		**(362)**	67
Principal payments on lease liabilities		**(434)**	(395)
Net cash flows used in financing activities		**(1,396)**	(4,857)
Net decrease in cash and cash equivalents		**(8,236)**	(5,018)
Cash and cash equivalents at the beginning of the period		**12,758**	23,506
Effects on exchange rate changes on cash and cash equivalents		**(127)**	(1,022)
Cash and cash equivalents at the end of the period		**4,395**	17,466

The accompanying notes are an integral part of these interim financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

1 GENERAL INFORMATION

IntelliCentrics Global Holdings Ltd. (the "Company") was established in the Cayman Islands on June 3, 2016 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The registered office is situated at Suite 102, Cannon Place, North Sound Rd., George Town, P.O. Box 712, Grand Cayman KY1-9006, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the "Group") are principally engaged in the provision of medical credentialing services in the United States of America (the "USA"), Canada, and the United Kingdom.

The Group is a minority holder of a joint venture in the People's Republic of China (the "PRC") that is licensed to use the Company's technology.

The ultimate holding company of the Company is Ocin Corp., a company incorporated in the Cayman Islands. Mr. Lin and his family including his spouse and parents are the ultimate controlling shareholder of the Company.

These unaudited interim condensed consolidated financial statements as at and for the 6 months ended December 31, 2023 have been approved and signed by the Board of Directors on February 29, 2024.

2 BASIS OF PREPARATION

As disclosed in the Company's announcement dated February 9, 2024 (the "Announcement"), on February 9, 2024, IntelliCentrics Holding Company, an indirectly wholly-owned subsidiary of the Company, entered into a share purchase agreement in relation to a proposed very substantial disposal (the "Proposed Disposal") of the entire issued share capital of Inception Point Systems Ltd., which constitutes a very substantial disposal of the Company. Please refer to the Announcement for further details on the Proposed Disposal. If the Proposed Disposal materialises, the Directors will resolve to wind up the Company voluntarily as soon as practicable following the full payment of the Special Interim Dividend (as defined in the Announcement) and the settlement of other outstanding liabilities of the Group. As such, the Directors did not consider it to be appropriate to prepare the interim condensed consolidated financial statements on a going concern basis. It is also noted that pursuant to the Hong Kong Accounting Standards 10 (HKAS 10), an entity shall not prepare its financial statements on a going concern basis if management determines after the reporting period that it intends to liquidate the entity or cease trading. Accordingly, the interim condensed consolidated financial statements have been prepared on a basis other than going concern. In preparing the interim condensed consolidated financial statements, the Directors reassessed the measurement, recognition and disclosures and considered no adjustments or other departures from the recognition and measurement requirements under the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB") which are ordinarily applicable to the preparation of financial statements on a going concern basis, including any reclassifications of assets or liabilities, were necessary.

2 BASIS OF PREPARATION (Continued)

The interim condensed consolidated financial statements and the interim report of the Group have been prepared in accordance with IFRS and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). These interim condensed consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The interim condensed consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets measured at fair value, and are in accordance with the same accounting policies adopted in the annual financial statements as at and for the 12-month period ended June 30, 2023.

The preparation of the interim condensed consolidated financial statements is in conformity with International Accounting Standard ("IAS") 34 and requires management to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

These interim condensed consolidated financial statements should be read in conjunction with the Company's Annual Report 2022/23 issued on October 30, 2023. These interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance since the Company's Annual Report 2022/23. The interim condensed consolidated financial statements and notes thereon do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS.

The interim condensed consolidated financial statements have not been reviewed by external auditors. The Audit Committee, with the assistance of the Group's internal audit department, has reviewed the unaudited interim results of the Group for the 6 months ended December 31, 2023. It is the opinion of the Audit Committee that the preparation of such interim results had been prepared in accordance with the applicable accounting principles and standards, and adequate disclosures have been made.

Unless otherwise stated, the interim condensed consolidated financial statements and related notes are presented in the United States Dollar ("USD"), which is the functional and presentation currency of the Company.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these interim condensed consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the Company's Annual Report 2022/23.

4 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

4.1 New standards, interpretations, and amendments adopted from July 1, 2022

The Group has adopted the following new standards and amendments in the condensed consolidated financial statements for the 6 months ended December 31, 2023:

- Disclosure of Accounting Policies — Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates — Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction — Amendments to IAS 12
- International Tax Reform-Pillar Two Model Rules — Amendments to IAS 12
- Insurance Contracts — IFRS 17 and Amendments to IFRS 17

The adoption of the new standards and amendments listed above did not have a significant impact on the Group's condensed consolidated financial statements for the 6 months ended December 31, 2023.

4 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.2 New standards, interpretations, and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

New standards or amendments	Effective for annual periods beginning on or after
Amendments to IAS 1 — Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	January 1, 2024
Amendments to IAS 7 and IFRS 7— Supplier Finance Arrangements	January 1, 2024
Amendments to IFRS 16 — Leases Liability on Sale and Leaseback	January 1, 2024
Amendments to IAS 21 — Lack of Exchangeability	January 1, 2025
Amendments to IFRS 10 and IAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group does not expect that the adoption of the standards listed above will have a material impact on the condensed consolidated financial statements of the Group in future periods.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies is listed in detail in the Company's Annual Report 2022/23. During this interim reporting period, there were no significant changes in the Company's accounting policies.

6 SEGMENT INFORMATION

The chief operating decision-maker considers the Group's operations are operated and managed as a single segment; accordingly, no segment information is presented. This conclusion is based on the following analysis:

- The Group allocates resources and assesses performance by the overall operations of its businesses and not by geographical locations or product lines.
- The Group mainly operates its businesses in the USA, and the majority of the revenues are substantially earned from external customers attributed to the USA.
- A substantial majority of the non-current assets excluding restricted cash of the Group are located in the USA.
- No other geographical region is currently deemed to be material to be viewed separately.

7 REVENUE

Substantially all fees are paid by subscribers at the inception of service. The following table sets forth a breakdown of our revenue by solutions and add-on services for the periods indicated:

US$ in thousands	**6 months ended December 31, 2023 (Unaudited)**	6 months ended December 31, 2022 (Unaudited)
Vendor and Medical Credentialing	**21,374**	21,757
Add-on Services	**430**	424
	21,804	22,181

7 REVENUE (Continued)

Disaggregation of Revenue from Contracts with Customers

US$ in thousands	**6 months ended December 31, 2023 (Unaudited)**	6 months ended December 31, 2022 (Unaudited)
Timing of revenue recognition		
— Over time	**21,640**	22,026
— At a point in time	**164**	155
	21,804	22,181

The Group's revenues are substantially generated in the U.S., with revenues attributed to the U.S. for the 6 months ended December 31, 2023 totaling US$21.0 million (US$21.5 million for the 6 months ended December 31, 2022).

Contract Liabilities

The Group has recognised the following revenue-related contract liabilities:

US$ in thousands	**As at December 31, 2023 (Unaudited)**	As at June 30, 2023 (Audited)
Contract liabilities	**20,815**	22,102

Contract liabilities mainly consists of membership fees prepaid by subscribers for which the related services had not been rendered in full as at the end of each financial period. The portion to be recognised over the next 12 months will be classified as current liabilities in the condensed consolidated statement of financial position. All contract liabilities expected to be recognized as revenue within one year.

The amount of revenue recognised for the 6 months ended December 31, 2023 that was included in the contract liabilities balance at the beginning of the period was US$15.1 million as compared to US$16.1 million for the 6 months ended December 31, 2022. All contract liabilities are amortised within one year.

7 REVENUE (Continued)

Trade Accounts Receivable

As at December 31, 2023 and June 30, 2023, the Company had negligible trade accounts receivable.

Seasonality

The Company has no material impact due to seasonality.

8 FINANCE COSTS

US$ in thousands	**6 months ended December 31, 2023 (Unaudited)**	6 months ended December 31, 2022 (Unaudited)
Interest expenses on bank borrowings	**981**	681
Interest expenses on lease liabilities	**341**	286
	1,322	967

9 FINANCE INCOME

US$ in thousands	**6 months ended December 31, 2023 (Unaudited)**	6 months ended December 31, 2022 (Unaudited)
Interest income from bank deposits	**363**	183
	363	183

10 OTHER NON-OPERATING (LOSS)/INCOME

US$ in thousands	**6 months ended December 31, 2023 (Unaudited)**	6 months ended December 31, 2022 (Unaudited)
Other	**(2,700)**	19
	(2,700)	19

For the 6 months ended December 31, 2023, other non-operating losses consist of US$2.7 million nonrecurring expenses in relation to the Proposed Disposal as disclosed in the Announcement.

11 INCOME TAXES

Income tax benefit/(expense)

Statutory income tax expense is recognised at the statutory income tax rate of the reporting entity, adjusted for differences in statutory rates between reporting entity and local country, and the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate in respect of continuing operations was 31.0% tax expense for the 6 months ended December 31, 2023, as compared to (86.0)% global rate tax expense for the 6 months ended December 31, 2022. The change is due to a consolidated loss for tax purposes and a decrease in tax liability as of December 31, 2023 as compared to the prior period.

12 LOSS PER SHARE

Basic loss per share of the Company (the "Share(s)") is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of Shares in issue during the period.

	6 months ended December 31, 2023 (Unaudited)	6 months ended December 31, 2022 (Unaudited)
The Group's loss attributable to owners of the Company *(US$ in thousands)*	**(5,586)**	(4,212)
Weighted average number of Shares in issue *(in thousands)*	**452,545**	452,545
Basic loss per Share *(US$ per Share)*	**(0.012)**	(0.009)

Diluted loss per Share is calculated by adjusting the weighted average number of Shares in issue during the period (excluding the Shares purchased by the Company under the RSA Schemes and Employee Retention and Recognition ("ERR") Program) to assume conversion of all dilutive potential Shares. The Group did not have potentially dilutive Shares during the 6 months ended December 31, 2023 or the 6 months ended December 31, 2022, and accordingly the diluted loss per Share equals the basic loss per Share.

13 DIVIDENDS

No dividends have been paid or declared by the Company for the 6 months ended December 31, 2023 nor for the 6 months ended December 31, 2022.

14 PROPERTY, PLANT AND EQUIPMENT

The net book value of property, plant and equipment as at December 31, 2023 was US$4.9 million as compared to US$5.4 million as at June 30, 2023.

As at December 31, 2023, the Group acquired property, plant and equipment with a cost of US$0.4 million (December 31, 2022: US$0.1 million), consisting primarily of subscriber equipment for the same 6-month period. There were no material disposals for either reporting period.

Depreciation expenses of US$1.1 million was charged to the income statement for the 6 months ended December 31, 2023 as compared to US$1.3 million for the 6 months ended December 31, 2022. There were no material currency translation adjustments for either reporting period.

14 PROPERTY, PLANT AND EQUIPMENT (Continued)

Capital commitments

During the 6 months ended December 31, 2023, the Group entered into contracts to buy property, plant and equipment for US$0.5 million (6 months ended December 31, 2022: US$0.6 million). Delivery is expected throughout the next financial year.

15 GOODWILL AND OTHER INTANGIBLE ASSETS

The net book value of goodwill and other intangible assets as at December 31, 2023 was US$22.4 as compared to US$22.9 million as at June 30, 2023, representing a decrease of US$0.5 million for the 6 months ended December 31, 2023.

During the 6 months ended December 31, 2023, additions of US$2.4 million were recorded for the development of the Group's technology platform as compared to US$2.5 million for the 6 months ended December 31, 2022.

Amortisation expenses of US$3.0 million was charged to the income statement for the 6 months ended December 31, 2023 as compared to US$3.1 million for the 6 months ended December 31, 2022. There were no material currency translation adjustments for either reporting period.

No impairment provision was required as at December 31, 2023. The Company tests annually whether goodwill has suffered any impairment as of April 1. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For further information on the accounting estimates and judgments, accounting policies and key assumptions with respect to impairment testing, please refer to Notes 3(a), 5.5, 5.6 and 18 to the consolidated financial statements contained in the Company's Annual Report 2022/23.

16 RIGHT-OF-USE ASSETS INCLUDING LEASE LIABILITIES

The Group leases various offices, motor vehicles and office equipment. Rental contracts are typically made for fixed periods of 1 to 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

For the 6 months ended December 31, 2023, the Group recognised depreciation expenses relating to leases of US$0.5 million as compared to US$0.4 million for the 6 months ended December 31, 2022, and interest expenses relating to leases of US$0.3 million as compared to US$0.3 million for the 6 months ended December 31, 2022.

17 INTERESTS IN A JOINT VENTURE

In February 2019, the Group contributed US$0.3 million to a joint venture of the Group, Sciencare. Subsequently, in January 2021, the Group contributed an additional US$0.4 million. Sciencare was incorporated in the PRC with limited liability. Sciencare is a health technology business supporting the development of a healthcare credit system in the PRC and is committed to providing patients with genuine and reliable healthcare services. As at December 31, 2023, the joint venture was 54.54% owned by Mr. Li Zheng, 2.73% owned by VTC Electronics (Shanghai), 2.73% owned by Tritech Development Limited, and 40.0% owned by IntelliCentrics Zengine (Hong Kong) Company Limited, a subsidiary of the Group. Please see details of the additional capital commitment contracted, but not provided for, below.

As at December 31, 2023, the Company's carrying amount in the joint venture has been reduced to zero. There are no significant restrictions on the ability of the joint venture to transfer funds to the Group.

No dividends were received from the joint venture during the 6 months ended December 31, 2023.

Contracted but not provided for

On May 16, 2018, the Group contracted to inject an initial capital contribution to a joint venture in the PRC, Sciencare, of US$1.0 million with reference to the underlying shareholders agreement. US$0.3 million remained contracted but not provided for as at December 31, 2023.

18 RESTRICTED CASH

As at December 31, 2023 and June 30, 2023, bank deposits of US$11.7 million and US$10.8 million, respectively, were restricted certificates of deposit held as security for certain banking borrowings of the Group as disclosed in Note 22. Other non-current restricted cash of US$0.1 million and US$0.1 million as at December 31, 2023 and June 30, 2023, respectively, was cash held by the RSA Scheme.

The carrying amounts of restricted cash are denominated in USD.

19 FINANCIAL ASSETS AT FVOCI

The financial assets at FVOCI comprised of the following:

US$ in thousands	**Fair value at December 31, 2023 (Unaudited)**	Fair value at June 30, 2023 (Audited)
Investment in equity instruments	**289**	276

The Group's investment in equity instruments consists of listed equity securities of AerKomm Inc. The Group currently owns 118,000 shares of AerKomm Inc., representing approximately 1.3% of the issued and outstanding shares of AerKomm Inc. as at December 31, 2023. The cost of the equity instruments was US$5.0 million. The fair value of the instruments as at December 31, 2023 and June 30, 2023 was US$0.3 million and US$0.3 million, respectively. The investments are designated as equity securities at FVOCI. No dividend was received from this investment. No strategic investments were disposed of during the current reporting period, and there were no transfers of any cumulative gain or loss within equity relating to this investment.

Please refer to Notes 27 and 28 for further information on fair value measurement, significant judgements, risks, and uncertainties.

20 SHARE PURCHASE AND SHARE BUY-BACK

During the 6 months ended December 31, 2023, the Company did not repurchase any Shares on the Stock Exchange pursuant to the Share buy-back program.

21 SHARE-BASED PAYMENT

(a) Description of share-based payment arrangements

As at December 31, 2023, the Group had the following share-based payment arrangements.

- **Pre-IPO Share Option Scheme**

The Company adopted the Pre-IPO Share Option Scheme by the Board's resolutions dated August 7, 2018. The purpose of the Pre-IPO Share Option Scheme is to provide certain incentives and to reward the participants for their past contributions to the success of the Group and to maintain or attract business relationships with the grantees whose contributions are or may be beneficial to the growth of the Company. On February 14, 2019, the Board approved the grant of the share options for an aggregate amount of up to 11,700,000 Shares. On February 18, 2019, share options were granted to 46 grantees comprising an aggregate amount of 11,535,000 Shares.

As at December 31, 2023, 3,072,500 share options have lapsed under the Pre-IPO Share Option Scheme due to resignation of staff, 4,000,000 share options have been vested, none of the outstanding share options have been exercised, and 3,462,500 share options have been cancelled due to conversion to the RSA Scheme.

	Outstanding share options (in thousands)	**Average exercise price** (US$ per Share)
Beginning share options authorised at US$0.875	11,700.0	0.875
Original share options granted on February 18, 2019	11,535.0	0.875
Lapsed under Pre-IPO Share-Option Scheme	(3,072.5)	0.875
Cancelled	(3,462.5)	0.875
Balance as at December 31, 2021	5,040.0	0.875
Transferred to the RSA scheme	(40.0)	0.875
Balance as at December 31, 2022 and December 31, 2023	5,000.0	0.875
Vested	4,000.0	0.875
Exercisable as at December 31, 2023	4,000.0	0.875

21 SHARE-BASED PAYMENT (Continued)

(a) Description of share-based payment arrangements (Continued)

- **Pre-IPO Share Option Scheme (Continued)**

  As at December 31, 2023, 5,000,000 share options have been granted under the Pre-IPO Share Option Scheme as detailed below.

Grant date/employees entitled	Number of instruments	Vesting conditions	Contractual life of options
Director of our Company			
On February 18, 2019	5,000,000	5 years of service from February 1, 2020	6 years
Total number of instruments as at December 31, 2023	5,000,000		

  Subject to the Pre-IPO Share Option Scheme, the share options shall be vested in five even tranches at 20% on February 1, 2020, February 1, 2021, February 1, 2022, February 1, 2023, and February 1, 2024, respectively. As disclosed in the Announcement, the Company has cancelled, with consent from Mr. Sheehan, all of his 5,000,000 outstanding Share Options, and the Pre-IPO Share Option Scheme was terminated immediately following the cancellation of Mr. Sheehan's outstanding Share Options on February 8, 2024.

- **RSA Scheme**

  On April 26, 2019, the Company's board of directors of the Company (the "Board") adopted the RSA Scheme. On May 16, 2019, a trust deed was executed to constitute the trust in relation to the RSA Scheme for the purpose of the Company's grant of share awards to selected non-connected participants from time to time pursuant to the scheme rules. The objectives of the RSA Scheme are to recognise the contributions by the selected non-connected participants, to give them incentives to achieve performance goals, and to attract suitable personnel for further development of the Group. The RSA Scheme shall be subject to the administration of the RSA Scheme for Non-Connected Persons Administration Committee and the trustee in accordance with the RSA Scheme rules and the trust deed. The trustee shall hold the trust fund in accordance with the terms of the trust deed.

  The Board has resolved to amend the rules governing the RSA Schemes to re-allocate the maximum Share purchase limits of the RSA Schemes with effect from June 7, 2022. No Shares shall be purchased pursuant to the RSA Scheme if as a result of such purchase, the number of Shares administered under the RSA Scheme shall exceed 34,283,411 Shares, being 7.5% of the entire issued share capital of the Company at the date of the Board's approval of the RSA Scheme, or such other limit as determined by the RSA Scheme for Non-Connected Persons Administration Committee at its sole discretion subject always to compliance with the Listing Rules. The maximum number of share awards which may be granted to a selected participant at any one time or in aggregate may not exceed 4,571,121 Shares, being 1.0% of the issued share capital of the Company at the same date.

21 SHARE-BASED PAYMENT (Continued)

(a) Description of share-based payment arrangements (Continued)

As of December 31, 2023, details of the restricted share awards granted under the RSA Scheme are detailed below.

- **RSA Scheme (Excludes ERR Shares)**

Grant date/employees entitled	Number of instruments	Vesting conditions	Contractual life of share awards
Senior Management of our Company			
On February 18, 2019	575,000	5 years	6 years
On March 3, 2021	350,000	3 years	8 years
On August 11, 2022	1,000,000	4 years	10 years
Subtotal	1,925,000		
Other Employees in Aggregate and Consultants of our Company			
On February 18, 2019	1,091,000	5 years	6 years
On April 1, 2021	50,000	4 years	8 years
On October 1, 2021	75,000	4 years	10 years
On January 1, 2022	150,000	4 years	10 years
On March 21, 2022	75,000	5 years	10 years
On May 1, 2022	25,000	5 years	10 years
On August 11, 2022	150,000	5 years	10 years
On November 23, 2022	75,000	5 years	10 years
On May 1, 2023	75,000	5 years	10 years
Total	3,691,000		

As disclosed in the Announcement, the Board's administrative committee for the RSA Scheme has resolved that the vesting period of all Share Awards outstanding under the RSA Scheme will be automatically accelerated. As a result, as of the date of this interim report, all of the outstanding Share Awards under the RSA Scheme are immediately exercisable by the Grantees by way payment of the exercise price.

21 SHARE-BASED PAYMENT (Continued)

(a) Description of share-based payment arrangements (Continued)

- **Employee Retention and Recognition (ERR) Program**

  On December 1, 2021, the Board adopted the ERR Program, pursuant to which restricted share awards would be granted to all employees worldwide in accordance with the rules governing the RSA Schemes. The value of each grant of restricted share awards made under the ERR Program is up to 20% of the annual salary of the grantee, pro-rated based on hire date with vesting every three months through November 2023.

  As at December 31, 2023, 27,419 share awards have been granted under the ERR Program as detailed below.

Grant date/employees entitled	Number of instruments	Vesting conditions	Contractual life of share awards
Senior Management of our Company			
Michael McDonald	0	11/30/2023	2 years
Hans Moller	0	11/30/2023	1.3 years
Simone Pringle	0	11/30/2023	2 years
Subtotal	0		
Other Employees in Aggregate of our Company	27,419	11/30/2023	2 years
Total	27,419		

- **RSA Scheme for Core Connected Persons**

  On October 20, 2020, the Board adopted the RSA Scheme for Core Connected Persons. On May 28, 2021, a trust deed was executed to constitute the trust in relation to the RSA Scheme for Core Connected Persons for the purpose of the Company's grant of share awards to selected core connected participants from time to time pursuant to the scheme rules. The objectives of the RSA Scheme for Core Connected Persons are to recognise the contributions by the selected core connected participants, to give them incentives to achieve performance goals, and to attract suitable personnel for further development of the Group. The RSA Scheme for Core Connected Persons shall be subject to the administration of the RSA Scheme for Core Connected Persons Administration Committee and the trustee in accordance with the RSA Scheme for Core Connected Persons rules and the trust deed. The trustee shall hold the trust fund in accordance with the terms of the trust deed.

21 SHARE-BASED PAYMENT (Continued)

(a) Description of share-based payment arrangements (Continued)

- **RSA Scheme for Core Connected Persons (Continued)**

  With effect from June 7, 2022, no Shares shall be purchased pursuant to the RSA Scheme for Core Connected Persons if as a result of such purchase, the number of Shares administered under the RSA Scheme for Core Connected Persons shall exceed 11,427,803 Shares, being 2.5% of the entire issued share capital of the Company.

  As at the date of the Board's approval of the RSA Scheme for Core Connected Persons, or such other limit as determined by the RSA Scheme for Core Connected Persons Administration Committee at its sole discretion subject always to compliance with the Listing Rules, the maximum number of share awards which may be granted to a selected participant at any one time or in aggregate may not exceed 4,571,121 Shares, being 1.0% of the issued share capital of the Company at the same date.

  As at December 31, 2023, 590,188 share awards have been granted and vested under the RSA Scheme for Core Connected Persons as detailed below.

Grant date/employees entitled	Number of instruments	Vesting conditions	Contractual life of share awards
Directors of our Company			
On January 18, 2021	238,465	6/30/2021	8 years
On January 18, 2021	128,404	10/1/2021	8 years
On November 5, 2021	95,573	11/16/2021	8 years
On November 6, 2022	55,342	11/17/2022	8 years
On October 27, 2023	72,404	11/7/2023	8 years
Total number of instruments as at December 31, 2023	590,188		

  As disclosed in the Announcement, it is expected that all of the 590,188 Share Awards outstanding under the RSA Scheme for Core Connected Persons will be transferred to Mr. Sheehan and Mr. Leo Hermacinski based on their respective entitlements on or prior to the date on which the entitlement of the Shareholders to the special interim dividend of the Proposed Disposal (subject always to closing of the Proposed Disposal having taken place) is determined.

21 SHARE-BASED PAYMENT (Continued)

(b) Measurement of fair values

The inputs used in the measurement of the fair values at grant date and measurement date of the Pre-IPO Share Option Scheme, the RSA Scheme, the RSA Scheme for Core Connected Persons, and the ERR Program as at December 31, 2023 are as follows:

	Pre-IPO Share Option Scheme	**RSA Scheme**	**RSA Scheme for Core Connected Persons**	**ERR Program**
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Weighted average fair values at the grant date (US$)	0.098	0.424	0.670	0.686
Weighted average share price at grant date (US$)	0.680	0.875	0.670	0.686
Weighted average exercise price (US$)	0.875	0.876	N/A	N/A
Expected volatility (%)	30.40%	61.66%	N/A	N/A
Expected life of share options and share awards (years)	4.50	7.92	N/A	N/A
Expected dividend yield (%)	2.33%	N/A	N/A	N/A
Risk–free interest rate (%)	2.53%	0.96%	N/A	N/A

The volatility is measured by tracing the histories of stock price volatility of comparable companies during comparable period.

The fair value of share awards granted with no exercise price under the RSA Schemes for the 6 months ended December 31, 2023 were measured using the stock price of US$0.710 on the grant date of January 18, 2021.

21 SHARE-BASED PAYMENT (Continued)

(c) Reconciliation of outstanding share options and share awards

The following table shows the number, weighted average exercise prices of, and movements in, share options and share awards under the RSA Scheme, the RSA Scheme for Core Connected Persons, and the ERR Program during the 6 months ended December 31, 2023 and the 6 months ended December 31, 2022.

	RSA Scheme		RSA Scheme for Core Connected Persons		ERR Program	
	Number of share awards (in thousands)	Weighted average exercise price (US$ per Share)	Number of share awards (in thousands)	Weighted average exercise price (US$ per Share)	Number of share awards (in thousands)	Weighted average exercise price (US$ per Share)
As at July 1, 2022	5,221	0.876	462	–	1,678	0.876
Granted during the reporting period	1,375	0.873	55	–	704	0.686
Forfeited during the reporting period	(131)	0.809	–	–	(250)	0.871
Exercised during the reporting period	–	–	–	–	(594)	0.661
Cancelled during the reporting period	–	–	–	–	–	–
Share options and share awards outstanding as at December 31, 2022	**6,465**	**0.875**	**518**	**–**	**1,539**	**0.827**
Exercisable as at December 31, 2022	**4,039**	**0.863**	**518**	**–**	**1,083**	**0.878**
As at July 1, 2023	4,691	0.875	518	–	702	0.807
Granted during the reporting period	–	–	–	–	5	0.880
Forfeited during the reporting period	(750)	0.812	–	–	(54)	0.810
Exercised during the reporting period	–	–	–	–	(626)	0.528
Cancelled during the reporting period	(250)	0.813	–	–	–	–
Share options and share awards outstanding as at December 31, 2023	**3,691**	**0.875**	**518**	**–**	**27**	**0.920**
Exercisable as at December 31, 2023	**2,011**	**0.874**	**518**	**–**	**27**	**0.920**

21 SHARE-BASED PAYMENT (Continued)

(c) Reconciliation of outstanding share options and share awards (Continued)

The following table shows the weighted average remaining contractual life of the Pre-IPO Share Option Scheme, the RSA Scheme, the RSA Scheme for Core Connected Persons and the ERR Program outstanding as at December 31, 2023.

	Weighted Average Remaining Contractual Life Outstanding	
Scheme Name	**As at December 31, 2023**	As at June 30, 2023
Pre-IPO Share Option Scheme	**1.16 years**	1.67 years
RSA Scheme	**5.32 years**	5.82 years
RSA Scheme for Core Connected Persons	**5.8 years**	6.31 years
ERR Program	**0 years**	0.42 years

(d) Expenses recognised in profit or loss

The Group recognised total expenses of US$0.5 million related to equity-settled share-based payment transactions during the 6 months ended December 31, 2023, as compared to US$0.6 million during the 6 months ended December 31, 2022.

22 BORROWINGS

US$ in thousands	**As at December 31, 2023 (Unaudited)**	As at June 30, 2023 (Audited)
Bank Borrowings	**23,418**	24,018

During the 6 months ended December 31, 2023, the Group made a US$0.6 million repayment towards the US$30.0 million long-term bank borrowing facility. The Group incurred US$1.0 million in bank charges on the bank borrowings.

22 BORROWINGS (Continued)

The Group's borrowings repayable based on the scheduled repayment dates are as follows:

US$ in thousands	**As at December 31, 2023 (Unaudited)**	As at June 30, 2023 (Audited)
Within 1 year	**23,418**	24,018
After 1 year but within 2 years	**—**	—
After 2 years but within 5 years	**—**	—
	23,418	24,018

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates were as follows:

US$ in thousands	**As at December 31, 2023 (Unaudited)**	As at June 30, 2023 (Audited)
6 months or less	**23,418**	24,018

The effective interest rates per annum of the bank borrowings are ranged as follows:

US$ in thousands	**As at December 31, 2023**	As at June 30, 2023
Bank floating interest rates	**8.18%–8.24%**	3.60%–8.18%

Bank borrowings are secured by certain bank deposits of the Group as disclosed in Note 18 "Restricted Cash".

23 TRADE PAYABLES

Aging analysis of the trade payables based on invoice date at the end of each reporting period are as follows:

US$ in thousands	**As at December 31, 2023 (Unaudited)**	As at June 30, 2023 (Audited)
Current	**787**	215
Within 1 month	**806**	149
Due 1 to 3 months	**—**	58
Due over 3 months but less than 12 months	**—**	213
	1,593	635

The Group considered that the carrying amounts of trade payables approximated to their respective fair values as at December 31, 2023 and June 30, 2023.

24 OTHER PAYABLES AND PROVISIONS

US$ in thousands	**As at December 31, 2023 (Unaudited)**	As at June 30, 2023 (Audited)
Salaries and bonuses payable	**2,261**	3,304
Professional service fee payable	**640**	578
Others	**1,239**	1,380
	4,140	5,262

The Group considered that the carrying amounts of other payables and provisions approximated to their respective fair values as at December 31, 2023 and June 30, 2023.

25 CONTINGENT LIABILITIES

As at December 31, 2023, the Company did not have any material contingent liabilities.

26 RELATED PARTIES TRANSACTIONS

The following individuals and companies are related parties of the Group that had balances and/or transactions with the Group for the 6 months ended December 31, 2023 and 6 months ended December 31, 2022:

Names of the Related Parties	Nature of Relationships
VTC Electronics Corp. ("VTC")	Controlled by the same controlling shareholder
ICTW Corp. ("ICTW")	Controlled by the same controlling shareholder
Security Manufacturing Ltd.	Controlled by the same controlling shareholder
Sophist Consulting	Controlled by chief product officer
Leo Hermancinski (Consulting)	Controlled by a Board member
Ocin Corp.	Ultimate holding company

Each of the related parties' transactions have been reviewed by operating and financial management. As they are of 8.0% of the total spend of the Company, they are considered insignificant transactions.

The following transactions were carried out with related parties:

Transactions with related parties

The aggregate value of transactions and outstanding balances related to related parties and entities over which they have control or significant influence were as follows:

	Transactions		Balances	
US$ in thousands	**6 months ended December 31, 2023 (Unaudited)**	6 months ended December 31, 2022 (Unaudited)	**As at December 31, 2023 (Unaudited)**	As at June 30, 2023 (Audited)
Consulting services[(1)]	**2,989**	2,172	**685**	562
	2,989	2,172	**685**	562

Note:

(1) The Group contracts consulting services from the chief product officer, Simone Pringle. Simone Pringle is the owner of Sophist Consulting.

27 FINANCIAL INSTRUMENTS — FAIR VALUE MEASUREMENT

To provide an indication about the reliability of the inputs used in determining the fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards as discussed in Summary of Significant Accounting Policies.

(a) Financial instruments by category

The table shows the carrying amounts of each of the categories of financial instruments as at the end of each of the reporting period are as follows:

US$ in thousands	Notes	**As at December 31, 2023 (unaudited)**	As at June 30, 2023 (Audited)
Financial assets measure at FVOCI			
Investment in equity instruments	19	**289**	276
		289	276
Financial assets at amortised cost			
Deposits and other receivables		**2,400**	1,729
Restricted cash	18	**11,700**	10,943
Cash and cash equivalents		**4,395**	12,758
		18,495	25,430
Financial liabilities at amortised cost			
Borrowings	22	**23,418**	24,018
Lease liabilities	16	**7,076**	7,150
Trade payables	23	**1,593**	635
Other payables	24	**4,140**	5,262
Amounts due to related parties	26	**685**	562
		36,912	37,627

27 FINANCIAL INSTRUMENTS — FAIR VALUE MEASUREMENT (Continued)

(b) Fair value and fair value hierarchy of financial instruments

The carrying amounts of deposits, other receivables, restricted cash, cash and cash equivalents, borrowings, trade payables, other payables, and amounts due to related parties are assumed to approximate to their fair values.

Further, for the current or prior reporting period, the fair value disclosure of lease liabilities is not required.

- **Fair value of financial instruments measured at fair value**
  The following table shows the carrying amounts and the recurring fair values of financial assets, including their levels in the fair value hierarchy. There were no financial liabilities measured at fair value.

As at December 31, 2023 (Unaudited)

		Carrying amount		Fair value			
US$ in thousands	Note	FVOCI — equity instruments	Total	Level 1	Level 2	Total	Net change in fair value in other comprehensive income
Financial assets							
Investment in equity instruments	19	289	289	289	–	289	13

As at June 30, 2023 (Audited)

		Carrying amount		Fair value			
US$ in thousands	Note	FVOCI — equity instruments	Total	Level 1	Level 2	Total	Net change in fair value in other comprehensive income
Financial assets							
Investment in equity instruments	19	276	276	276	–	276	(536)

There were no transfers between the different levels during the current reporting period.

27 FINANCIAL INSTRUMENTS — FAIR VALUE MEASUREMENT (Continued)

(b) Fair value and fair value hierarchy of financial instruments (Continued)

- **Fair value of financial instruments not measured at fair value**

  As at December 31, 2023 and June 30, 2023, all borrowings were classified as current in compliance with IFRS and as such the fair value approximate to the carrying value. As of December 31, 2023 and June 30, 2023, the carrying amounts and the fair values of financial liabilities were US$23.4 million and US$ 24.0 million, respectively.

28 FINANCIAL RISK MANAGEMENT

28.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risks, interest rate risks and other market risks), credit risk and liquidity risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Risk management is carried out by the senior management of the Group in close cooperation with the Board and focuses on actively securing and managing the Group's cash flows. Significant investments must be approved by the Board.

(a) Market risk

Market risk arises from the Group's use of foreign currency, interest bearing, and tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates (foreign exchange risk), interest rates (cash flow and fair value interest rate risk), or other market factors (other price risk such as equity price risk).

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The functional currency of the Company and subsidiaries operating in the USA is USD whereas functional currency of the subsidiaries operating in the United Kingdom and Canada are British Pound ("GBP") and Canadian Dollar ("CAD"), respectively.

The Group operates mainly in the USA with most of the transactions settled in USD, management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group denominated in the currencies other than USD. The Group is traded on The Stock Exchange of Hong Kong Limited and holds bank accounts in Hong Kong dollars. As the Company was paid principal and interest on the promissory notes, an option and currency translation rate were provided in the redemption letters. The Company currently holds significant funds in Hong Kong dollars.

28 FINANCIAL RISK MANAGEMENT (Continued)

28.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The foreign exchange currency net losses totaling US$59.0 thousand for the 6 months ended December 31, 2023 and December 31, 2022: US$61.0 thousand net gain were recognised in "Other (loss/)income" in the interim condensed consolidated statement of profit or loss and other comprehensive income or loss.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's exposure to interest rates is attributable to its bank balance and restricted cash.

The Group's exposure to changes in interest rates is also attributable to its borrowings, details of which have been disclosed in Note 22. Borrowings carried at floating rates expose the Group to cash flow interest-rate risk whereas those carried at fixed rates expose the Group to fair value interest-rate risk.

As at December 31, 2023, if the interest rates had been 1.0% higher/lower and all other variables were held constant, the Group's pre-tax loss would have been approximately US$71.8 thousand higher/lower (June 30, 2023: US$3.1 thousand higher/lower), mainly attributable to the Group's exposure to interest rates on its variable rate bank balance, restricted cash, short-term bank deposits and bank borrowings.

(iii) Other market factors

The Group's listed equity instruments (disclosed in Note 19) are susceptible to market price risk arising from uncertainties about future values of the investment securities. The effect of a 5.0% increase as at December 31, 2023 (June 30, 2023: 66.0% decrease) in the value of the equity instruments held at the reporting date would, all other variables held constant, have resulted in an increase in the fair value through other comprehensive income reserve and net assets of US$0.2 million (June 30, 2023: US$0.2 million). A 5.0% decrease in their value would, on the same basis, have decreased the fair value through other comprehensive income reserve and net assets by the same amount.

28 FINANCIAL RISK MANAGEMENT (Continued)

28.1 Financial risk factors (Continued)

(b) Credit risk

The Group is exposed to credit risk primarily in relation to its cash and deposits (including term deposits) placed with the banks and financial institutions, as well as other receivables. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

The Group's cash deposits are placed with reputable financial institutions with high credit-ratings assigned by international credit-rating agencies. There has been no recent history of default in relation to these financial institutions.

Other receivables mainly comprise amounts due from related parties, deposits, and other receivables. The Group closely monitors these other receivables to ensure actions are taken to recover these balances in the case of any increase in risk of default. The Group has concluded that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information. Especially the following indicators are incorporated:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.

- Significant changes in the expected performance and behavior of the debtors, including changes in the payment status of debtors.

The Group uses four categories for those receivables which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

28 FINANCIAL RISK MANAGEMENT (Continued)

28.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

The Group's current credit risk grading framework comprises the following categories:

Basis for recognition of	Expected category	The Group's definition of category credit loss provision
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flow	6 months expected losses; where the expected lifetime of an asset is less than 6 months, expected losses are measured at its expected lifetime
Underperforming	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk presumed if interest and/or principal repayments are more than 30 days past due	Lifetime expected losses
Non-performing	Interest and/or principal repayments are more than 365 days past due	Lifetime expected losses
Write-off	Interest and/or principal repayments are more than 3 years past due and there is no reasonable expectation of recovery	Asset is written-off

The Group accounts for its credit risk by approximately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivable and adjusts for forward-looking macroeconomic data. For the investment in promissory notes, deposits and other receivables, the historical loss rate for these receivables are low. Thus, no impairment provision was recognised for these receivables as the expected credit loss was not material during the reporting period.

28 FINANCIAL RISK MANAGEMENT (Continued)

28.1 Financial risk factors (Continued)

(c) Liquidity risk

Liquidity of the business is actively monitored in relation to changes in revenue and increasing customer support costs caused by COVID-19.

The Group has certain restricted cash at the bank equal to 50.0% of the value of the debt. The Group aims to maintain sufficient cash and cash equivalents to maintain fund flexibility in the current business environment.

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

US$ in thousands	Within 1 year	After 1 year but within 2 years	After 2 years but within 5 years	After 5 years	Remaining contractual maturities
As at December 31, 2023 (Unaudited)					
Trade payables	**1,593**	**–**	**–**	**–**	**1,593**
Other payables and provisions	**4,140**	**–**	**–**	**–**	**4,140**
Amounts due to related parties	**685**	**–**	**–**	**–**	**685**
Lease liability	**1,479**	**1,995**	**1,881**	**4,164**	**9,519**
Borrowings (including accrued interests)	**23,418**	**–**	**–**	**–**	**23,418**
	31,315	**1,995**	**1,881**	**4,164**	**39,355**
As at June 30, 2023 (Audited)					
Trade payables	635	–	–	–	635
Other payables and provisions	5,262	–	–	–	5,262
Amounts due to related parties	562	–	–	–	562
Lease liability	1,422	1,267	2,699	4,617	10,005
Borrowings (including accrued interests)	24,018	–	–	–	24,018
	31,899	1,267	2,699	4,617	40,482

28 FINANCIAL RISK MANAGEMENT (Continued)

28.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

28.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders of the Company and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total debts divided by total equity. Total debts are calculated as total borrowings. Total equity is total equity of the Group as shown in the interim condensed consolidated statement of financial position.

US$ in thousands	**As at December 31, 2023 (Unaudited)**	As at June 30, 2023 (Audited)
Borrowings	**23,418**	24,018
Total debt	**23,418**	24,018
Total equity	**(9,379)**	(4,084)
Gearing ratio	**(249.7)%**	(588.1)%

Our gearing ratio ((short-term borrowing + long-term borrowings)/equity) increased to (249.7)% as at December 31, 2023 from (588.1)% as at June 30, 2023. The increase is due to the reduction in equity resulting from the additional Share purchases in the Company's RSA trusts. Please refer to Note 22 "Borrowings" for more details of the borrowings.

29. NOTE TO INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

US$ in thousands	**6 months ended December 31, 2023 (Unaudited)**	6 months ended December 31, 2022 (Unaudited)
Loss before income tax	**(6,326)**	(4,047)
Adjustments for:		
Depreciation	**1,520**	1,709
Amortisation	**2,995**	3,121
Interest income	**(363)**	(183)
Interest expenses	**1,322**	967
Equity-settled share-based payment transactions	**507**	613
Changes in working capital:		
Deposits, prepayments and other receivables	**(816)**	321
Trade payables	**958**	(132)
Contract liabilities	**(1,287)**	(1,897)
Other payables and provisions	**(292)**	537
Amounts due to related parties	**123**	(389)
Cash (used in)/generated from operations	**(1,659)**	620

29. NOTE TO INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

Reconciliation of liabilities arising from financing activities

	Liabilities from financing activities			
US$ in thousands	**Borrowings due within 1 year**	**Borrowings due after 1 year but within 2 years**	**Lease liability**	**Total**
As at July 1, 2022	28,511	0	7,805	36,316
Cash flows	(6,175)	—	(1,532)	(7,707)
Non-cash amounts recognised in profit or loss	1,695	—	563	2,258
New leases	—	—	180	180
Foreign exchange movement	(13)	—	134	121
As at June 30, 2023 (Audited)	24,018	—	7,150	31,168
As at July 1, 2023	**24,018**	**0**	**7,150**	**31,168**
Cash flows	**(600)**	**—**	**(434)**	**(1,034)**
Non-cash amounts recognised in profit or loss	**—**	**—**	**342**	**342**
New leases	**—**	**—**	**300**	**300**
Foreign exchange movement	**—**	**—**	**(282)**	**(282)**
As at December 31, 2023 (Unaudited)	**23,418**	**0**	**7,076**	**30,494**

30 EVENTS AFTER THE REPORTING PERIOD

As disclosed in the Announcement, IntelliCentrics Holding Company, an indirectly wholly-owned subsidiary of the Company, entered into a share purchase agreement on February 9, 2024 in relation to the Proposed Disposal of the entire issued share capital of Inception Point Systems Ltd., which constitutes a very substantial disposal of the Company. Please refer to the Announcement for further details on the Proposed Disposal.

There were otherwise no significant events affecting the Group subsequent to the end of the 6 months ended December 31, 2023.

Definitions

"AGM"	annual general meeting of the Company;
"Articles of Association"	the third amended and restated memorandum and articles of association of the Company (as amended from time to time), conditionally adopted on by a special resolution passed on December 15, 2022;
"Audit Committee"	the audit committee of the Board;
"Board" or "Board of Directors"	the board of Directors;
"CEO"	the chief executive officer of the Company;
"CG Code"	Corporate Governance Code as set out in Appendix C1 to the Listing Rules;
"Company"	IntelliCentrics Global Holdings Ltd. (中智全球控股有限公司), which is an exempted company with limited liability incorporated in the Cayman Islands on June 3, 2016 and the Shares of which are listed on the Main Board of the Stock Exchange on March 27, 2019;
"Controlling Shareholder(s)"	the controlling shareholders (as defined in the Listing Rules) of the Company, namely Mr. Lin and Ocin Corp.;
"Director(s)"	director(s) of the Company;
"EBITDA"	non-IFRS measure of earnings before interest, taxes, depreciation, and amortisation;
"FVOCI"	fair value through other comprehensive income;
"Global Offering"	the global offering of new Shares in March 2019;
"Group", "our Group", "we" or "us"	the Company and its subsidiaries at the relevant time and, in respect of the period before the Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be);
"IAS"	International Accounting Standards;
"IASB"	International Accounting Standards Board;
"IFRS"	International Financial Reporting Standards;
"IPO"	an initial public offering of the Shares and listing of the Shares on the Main Board of the Stock Exchange;
"Listing Date"	the date on which dealings in the Shares first commenced on the Stock Exchange, i.e. March 27, 2019;

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and supplemented from time to time;
"LoC(s)"	location(s) of care, including hospitals, physician offices and other types of locations where healthcare services are provided such as imaging centers, and long-term care centers;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules;
"MSO"	Medical Staff Office;
"Mr. Lin"	Mr. Lin Tzung-Liang (林宗良), the chairman of the Board, an executive Director and one of the Controlling Shareholders;
"Mr. Sheehan"	Mr. Michael James Sheehan, the CEO and an executive Director;
"Nomination Committee"	the nomination committee of the Board;
"Ocin Corp."	an exempted company with limited liability incorporated in the Cayman Islands on May 26, 2016 and one of the Controlling Shareholders, and is wholly owned by Mr. Lin;
"PRC"	the People's Republic of China;
"Share Option(s)"	the option(s) granted by the Company under the Pre-IPO Share Option Scheme;
"Pre-IPO Share Option Scheme"	the share option plan adopted by the Board on August 7, 2018;
"Prospectus"	the prospectus dated March 18, 2019 issued by the Company;
"Registered LoCs"	LoC that has registered on our platform and has not cancelled its registration;
"Remuneration Committee"	the remuneration committee of the Board;
"Reorganisation"	the group reorganisation, i.e. the Company became the holding company of the companies now comprising the Group, details of which were fully explained in the section headed "History, Reorganisation and Development" in the Prospectus;
"R&D"	research and development;
"RSA Scheme"	the Restricted Share Award Scheme approved and restated by the Company on June 7, 2022;
"RSA Scheme for Core Connected Persons"	the Restricted Share Award Scheme for Core Connected Persons amended and restated by the Company on June 7, 2022;

"RSA Schemes"	the RSA Scheme and the RSA Scheme for Core Connected Persons;
"Sciencare"	Beijing Sciencare Technology Co., Ltd. (北京仁正醫德科技有限公司), a company incorporated in the PRC with limited liability;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"Share(s)"	ordinary share(s) in the capital of the Company with nominal value of US$0.0001 each;
"Share Award(s)"	the awards(s) granted by the Company under the RSA Scheme or the RSA Scheme for Core Connected Persons (as the case may be);
"Shareholder(s)"	holder(s) of the Share(s);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"U.K." or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"USD", "U.S. dollars" or "US$"	U.S. dollars, the lawful currency of the United States;
"U.S.", "USA" or "United States"	the United States of America;
"VTC Electronics"	VTC Electronics Corp. (遠業科技股份有限公司), a joint stock company with limited liability incorporated in Taiwan on August 30, 1995, a company controlled by Mr. Lin; and
"%"	percent.

In this interim report, the terms "associate", "connected person", "connected transaction", "controlling shareholder", "subsidiary" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.